

Loans on and subscriptions for preferred stock, and purchases of capital notes and debentures of banks and trust companies, by States, from Mar. 9, 1933, through Dec. 31, 1934—Continued

State	Amount authorized	Amount disbursed	Amount repaid
Utah.....	\$4,280,000	\$3,965,000.00	\$525,000.00
Vermont.....	14,795,000	14,645,000.00	
Virginia.....	12,183,000	10,214,650.00	102,000.00
Virgin Islands.....	125,000		
Washington.....	6,616,500	5,162,000.00	196,500.00
West Virginia.....	6,176,000	5,455,566.66	384,750.00
Wisconsin.....	37,228,500	18,865,600.00	635,000.00
Wyoming.....	1,570,000	1,257,500.00	15,000.00
Total.....	1,156,904,075	938,004,050.90	72,920,565.01
Conditional commitments outstanding Dec. 31, 1934.....	75,462,470		
Total.....	1,232,366,545		

RECESS

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 23 minutes p. m.) the Senate took a recess until tomorrow, Thursday, January 31, 1935, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate Wednesday, January 30, 1935

MEMBER OF FEDERAL POWER COMMISSION

Frank R. McNinch to be a member of the Federal Power Commission.

POSTMASTERS

ARKANSAS

Will W. Coffman, Harrison.
Jordan B. Lambert, Holly Grove.

COLORADO

Elmer B. McCrone, Creede.

WYOMING

James E. Smith, Riverton.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JANUARY 30, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Heavenly Father, we rest and rejoice that we have such merciful evidence of Thy providential care. Continue to dwell richly with us, merciful Lord, by giving us firmness under resistance, hope in despondency, and consolation in affliction. O bring us into the realization that we cannot fulfill the whole law of God or climb the heights of moral manhood without Thee. In all circumstances subordinate our lower natures to the higher. Harmonize our emotions and keep them right. May they never be allowed to chill, wither, or rob the bloom and beauty of the immortal soul. We pray, our Father, that our temper may be kindly, just, and considerate of all men of every clime and of every section. Arm us with the fruits of the spirit such as love, joy, and peace. We pray in the name of Him who took upon Himself the form of a servant. Amen.

The Journal of the proceedings of yesterday was read and approved.

THOMAS JEFFERSON MEMORIAL COMMISSION

The SPEAKER announced that, pursuant to the provisions of Public Resolution No. 49, Seventy-third Congress, he had appointed as members of the Thomas Jefferson Memorial Commission the following Members of the House: Mr. BOYLAN, Mr. SMITH of Virginia, and Mr. CULKIN.

THOMAS A. DOYLE

Mr. BEAM. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER. The gentleman from Illinois asks unanimous consent to address the House for 3 minutes. Is there objection?

There was no objection.

Mr. BEAM. Mr. Speaker, ladies and gentlemen of the House, it is with extreme regret that I have just learned of the death of former Congressman Thomas A. Doyle, of Illinois, a man who served with honor and distinction in the Sixty-eighth to the Seventy-first Congresses of the United States.

The world has been enriched because he has lived. His congenial disposition, his captivating personality, his genuine sincerity endeared him not only to a grateful and appreciative constituency but indelibly enshrined his memory in the hearts and breasts of countless devoted friends and associates.

Born and reared in the great stockyards district of the city of Chicago, with its teeming masses of humanity, his ability for public service was early recognized. He served many years as alderman of the city of Chicago, representative in the general assembly of his State, and as Congressman of the Fourth Congressional District of the State of Illinois.

His was a sympathetic and magnanimous nature, revered, respected, and admired by all who were privileged to know him intimately and to call him friend.

The old Persian poet Omar Khayyam beautifully epitomizes and portrays his nobility of character when he wrote the following:

So I be written in the book of Love
I do not care about that book above
Erase my name—or write it as you will
So I be written in the book of Love.

Tommy Doyle was loved by his fellow citizens. He has erected for himself in their memory a monument which will endure long after those of marble and bronze have crumbled into dust and decay.

By his untimely death—in the prime of life—the city of Chicago, the State of Illinois, and the Federal Government have lost one of its most beloved, respected, and revered citizens of our present generation. [Applause.]

THE PRESIDENT OF THE UNITED STATES

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, I rise at this time to pay a nonpartisan tribute to the man who holds the position of Chief Executive of this Republic, upon his fifty-third birthday.

He has shown truly great courage, before he entered the office of the President of the United States and since that time. Expression is given to this fact in the birthday balls which are to be held in every State in the Union tonight. He has brought relief to the helpless, to the individuals afflicted with infantile paralysis, and I am told there are more than 100,000 individuals suffering with this cruel malady in America at this time. The work that is being done at Warm Springs, Ga., by the Warm Springs Foundation upon a large scale, is being done upon a much smaller scale at Berkeley Springs, W. Va., in the county of Morgan, in the congressional district that I represent, and there today, because of the inspiration of the President of the United States and his interest in crippled children, we have some 15 boys and girls who are being given a chance to regain their health. This is being carried ahead by those who appreciate the interest which is being taken by the President, and I trust he can soon visit there.

The Man of Galilee said:

I was hungry and ye fed me, I was athirst and ye gave me drink, I was naked and ye clothed me; inasmuch as ye have done it unto the least of these, ye have done it also even unto me.

That is the rule of philosophy that should guide neighbor toward neighbor and friend toward friend.

I believe that that is the philosophy of life that accentuates the service of the man who today is the leader of these United States. Victor Hugo a long time ago wrote a significant sentence in which he said, "The smoothing out of rough places is the great policy of God." I believe that policy and I believe that that is the policy of the man who today is President of this Republic. It should be our delight also to aid those less fortunate than ourselves.

As Members of Congress, as lawmakers in this body, we should be happy today that we can have a part in the building of this Republic under the leadership of such an individual. We should be pleased to know that our services are called upon at this time when we are asked not to kill, but when we are asked to give life anew, when we are asked not to cripple but to heal, when we are asked not to tear down but to build up, when we are asked not to have fear in our hearts but to have faith in the institutions of America, and when we are asked not to walk the highways of this country and unjustly criticize but rather to have confidence in our hearts.

At the Vatican at Rome in the Sistine Chapel there are 300 pictures all more than lifesize, and some are 15 feet long. These are the products of the hand of Michelangelo. For 23 months, day after day, week after week, he lay on his back in a cramped position bringing out his artistic soul in that wondrous masterpiece. This was done at arm's length and can be seen in lifesize by the people below.

For days he never left his room. They sent up food to him with a string on a pail. When it was all over the old artist walked about the streets of Rome in a bent position with a crooked neck and his head over on one side. And he said, "My life is there on the ceiling of the chapel of St. Sixtus."

Today the Master Artist sends out the call to every citizen that feels and understands to come into the spirit of Michelangelo and say, "I shall place a part of my life there at the altar of a struggling humanity."

Less than 3 months ago in Charles Town, Jefferson County, W. Va., after I had spoken there during the campaign, I visited in the home of my friend, Merle Alger. As we sat there in the modest living room of that American citizen, the door was open a little ways into a bedroom, and I saw his little daughter, 9 years old, kneeling at the bedside saying her prayers. I shall never forget her closing words. This is what she said: "And please God, help President Roosevelt." I asked the mother and father if they had ever asked that little daughter of theirs to include that in her prayer, and they said they had never spoken to her about the President of the United States.

Mr. Speaker, today something not only takes hold of the hearts of little children but something takes hold of the hearts of men and women. We are asked not to pray alone but to work in behalf of the further building of America under the leadership of a man who calls on us for cooperation that hovels shall become happy homes, that distress may be lightened, and additional security be given those who exist on the ragged edge of life. [Applause.]

REMARKS OF MR. SUMNERS OF TEXAS BEFORE THE CRIME CONFERENCE

Mr. LEWIS of Colorado. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. LEWIS of Colorado. Mr. Speaker, since 1913 the people of the Fifth Congressional District of Texas, including the city of Dallas, have honored themselves by sending to the House of Representatives Hon. HATTON W. SUMNERS, who is now entering upon his twelfth consecutive term. But the Members of the House, regardless of partisan affiliations, and especially those of us who have had the great privilege of serving under him on the Judiciary Committee, of which he is chairman, regard him as not merely the representative of a progressive city and a great State, but as one gifted with a Nation-wide horizon—as a distinguished American statesman. Apart from the strong affection and

respect which we all have for him, we know him as a learned constitutional lawyer and legal philosopher and a disinterested patriot. The House of Representatives and the Republic are, indeed, fortunate in having HATTON W. SUMNERS as Chairman of the Judiciary Committee.

During the Attorney General's crime conference, held in Washington last month, Mr. SUMNERS delivered a timely and significant address.

I ask unanimous consent to extend my remarks by including Mr. SUMNERS' address.

The SPEAKER. Is there objection?

There was no objection.

The matter referred to is as follows:

ADDRESS OF THE HONORABLE HATTON W. SUMNERS, OF TEXAS, ON THURSDAY MORNING, DECEMBER 13, 1934, AT THE ATTORNEY GENERAL'S CRIME CONFERENCE HELD IN WASHINGTON, D. C.

Ladies and gentlemen of the conference, we are under much obligation to the Attorney General for having initiated this conference. In the beginning of this movement on the part of the Federal Government I was deeply apprehensive that it might constitute a sort of Federal vent, through which this revolution against crime would blow itself out and prevent this revolution against crime from doing the great service which it is required in this country shall be done by something, and that is to arouse the American people to a sense of general responsibility with regard to their civic and political duty. The fact that that has not occurred is due largely to the good judgment of the Attorney General and his able staff.

STATE BARRIERS PROTECTING CRIMINALS RIDICULOUS

There is much that the Federal Government can do in this situation and is doing and doing well. There is much that the States can do as separate governmental entities. There is much that the States can do in cooperation with each other under some system of compacts. I see no practical reason why the boundary lines of the States of this country should constitute a barrier behind which the criminal can find himself protected in large measure. It is perfectly ridiculous. It is ridiculous that practically the only time in going over this country we are conscious of the existence of a State line is when they are thrown up as a barrier to shield some murderer or crook from the officers of a neighboring State seeking to vindicate an outraged law and protect decent people. I mean that it is perfectly ridiculous among civilized people that that condition should obtain.

AVOID CAUSING REACTION

Of course, in the beginning of the working out of relationships between the States we have to be very careful. We must also be careful not to disturb the just safeguards which surround those charged with crime. May I say at this point (and I would like to emphasize this, my friends) that there are two enemies to every reform movement; one is those who do not want to move at all, and the other is those who want to go too fast. The latter is the more dangerous, because when you get a thing going—and this is going now, there is not a bit of doubt about that—it will usually move forward under the pressure behind it. We want to avoid anything being done that would tend to cause a reaction against this movement. I endorse the things that are being done to prevent crime to guide the youth of the country in the right direction; I endorse the things that are being done to reform the criminal; and I endorse, especially, the things that are being done in this country now to get rid of these arch criminals; I would like to see these people who live by violence and death given to understand that they are about to receive a visitation of that which they have been using. We have got to give them a big dose of their own medicine. Give it to them justly, but without a single tear except for the victims of their cowardly assassinations. That is the sort of business that will put the fear of God in the hearts of these people. That is a language they can understand.

CRIME AND OTHER PROBLEMS FROM SOME SOURCE

But I want to call the attention of the conference to one phase of this matter; and, as I view it, the most important; and which, insofar as I know, has not been discussed during your sessions. Looking at our problems fundamentally we see that this crime situation is but a part of our general difficulties—governmental and economic.

They all come from the same source. The thing which more than all others has made the present crime condition possible, and our general economic and governmental difficulties possible, is the low order of civic decency and efficiency which has been characteristic of this age. Possibly it was a natural sort of thing, a swing back from the stress of the war. We reached perhaps the highest point of unselfish world patriotism ever reached by any people on the face of the earth. It was a higher place than we could maintain. We have swung back from that; we have swung to the other extreme. We were under great stress, and in the reaction we came into the age of youth. Everybody who was old enough to have a mature judgment became ashamed of his age, and youth was idealized. We resorted to all sorts of subterfuges to hide the fact that we were old enough to have sound judgment. We could not be bothered. Grandmother whacked a couple of feet off her skirts, literally; and old granddad got his cane, straightened

up his old back, grabbed a horn, and got in the procession; and mother and father joined the parade. Youth led it; youth took its place at the head of the council table of the American home.

PEOPLE TURNED JOB OVER TO OTHERS

Somebody got to preaching in this country the self-determination of youth. It was a pretty handy sort of philosophy because mother and father turned the children loose and went off to the hootch party. Their children are coming back now, many of them by way of the penitentiary.

We turned the political government over to a lot of politicians, in many instances crooks. We turned the economic government over to a lot of supposed-to-be captains of industry, many of them economic brigands. And so we went along to the brink of moral, political, and economic bankruptcy.

It is not to our credit, but it seems a fact that under the circumstances we had to have these criminals; we had to feel their lash. We would not respond to anything else. This intolerable condition created by these criminals is the first thing which in more than a decade and a half has been potent enough to create any general reaction, any sign of real life and normal functioning in the body civic and politic of this people. For the moment at least there is centered in this movement much of whatever hope we have that the people of this country will feel again the thrill associated with sovereign responsibility and with self-reliance, and become again conscious of ability to preserve and operate the institutions of a self-governing people.

We are like a person who has been drugged, and many efforts to awaken him have failed, and finally something is applied which is beginning to have the desired effect. We are awakening now. This movement must be continued to a successful conclusion—I mean the movement of the people against crime. It might be fatal if we permit ourselves to go to sleep again now.

DILLINGER AND HIS MUSTARD PLASTER

Mr. Dillinger and "Baby Face" Nelson and that crowd have done what all the preaching in this country couldn't do—they created an intolerable situation.

They have put a mighty hot mustard plaster upon a lethargic civic condition. No doubt the people would like to have somebody else take that mustard plaster off, but it cannot be done. It would not be a good service if it were possible for some remote agency of the Government to do it. The Attorney General agrees with that proposition.

PEOPLE'S JOB

The Nation should applaud what the President and the Attorney General and Mr. Hoover had to say about the necessity for the States and the people in the community to have major responsibility in dealing with the various aspects of crime. There are certain definite advantages given to the defendant in criminal trials which are utterly ridiculous, among them the fact that in most jurisdictions it is a reversible error to mention the fact that the defendant has failed to testify. This is a very good illustration of the absurd lengths to which we have gone. In the old days torture was resorted to to compel persons to testify against themselves. There was a reaction against that barbarous and unfair treatment. Through the process of time we have gone to the present extreme so that the defendant under circumstances that would make every honest person anxious to testify, where he is under a definite moral duty to make an explanation, he may not only refuse to explain when he has opportunity, but no mention can be made of that failure.

MORE INVOLVED THAN CRIME SUPPRESSION

May I emphasize as bearing upon the importance of this movement against crime, let us always be conscious of the fact that there is a deeper interest and a more important concern involved than the possible effect upon crime per se, important as that is. That is the thought which I hope to leave with you. There is no other public service which gives to the individual citizen, to his home, and for his community, and the general Government, a development and fitness for civic service comparable to that which is given to the individual citizen who responds to the call of local duty in answer to the challenge of crime. Courage, patriotism, self-reliance, all the virtues are put to exercise, intelligence, everything. These things are necessary for our general salvation now.

Communities in the struggle with crime develop local leaders who probably were never before conscious of the ability to lead. They develop a consciousness of responsibility, a community solidarity, a civic decency, an aggregate courage, which fits them for the general responsibilities of good citizenship as no other public service possibly can do.

STRENGTH COMES FROM DOING

In a definite sense this movement at this time is as important as the hope and the aspirations of the American people now suffering under economic stress. I give it to you for what it may be worth, that unless the body of the American peoples become alive and begin again to discharge their civic duties, unless they again become conscious of their responsibilities as the governors of a free country, we cannot survive.

It is not written in the book of destiny, my friends, that the President of the United States and the handful of Members of Congress shall have all the development, all the progress, all the improvement that comes from a successful struggle with the difficult problems which confront us. Nothing short of a reawakened, regenerated people, operating under the consciousness of their own responsibility, can solve the problems of these times. It is going to be no easy thing to deal with this crime problem. That is to

our advantage; it is to our benefit that we have got a big difficult problem, which the people are working at, because it is only by doing the big things that the strength to do bigger things is acquired. Bigger things must be done soon.

This is the first hopeful sign that we have had in a decade and a half, and, if we keep this movement going, we have a chance to develop the citizenships able to win. As the muscles of the body are developed by exercise, so is governmental capacity of a people developed. It is the development of human beings which is the thing upon which all the forces of Nature center; people develop through the struggle. You cannot develop a nation able to carry forward the business of a nation when they sit back, dependent upon somebody else doing things for them which lies within their own capacity. This task of crime suppression is the one thing just now that the people are beginning to work at. It is well for the Federal Government to do what it is doing; it is well for the States, as governmental entities, to do what they are doing, but God Almighty, in fashioning the economy of this universe, has placed the major responsibility for taking care of the business of a free people back among the people in the small units of government, where the people have the major responsibility and the major power.

OPERATING GOVERNMENT BIG JOB

We have grave danger in this country that even our patriotism will become ritualistic. There is many a man today who thinks he is quite patriotic when he salutes the flag on his way down to swear a lie to get off the jury. Running the business of a great government of free people is a big job. This universe could have been made so there would not have been any difficulty; this earth could have been created so there would have been a system of concrete roads growing out of the ground just like trees grow, and everything else could have been arranged, but we would have been as a field of cabbages.

It is all right to doctor up these criminals; I am for that if it works, I want it understood that I thoroughly believe in that if it works; but what we have got to have in addition to that is men and women with red blood in their veins who will not submit to this supergovernment of crime. [Applause.]

I heard something about salvaging these murderers. I want to salvage, too; but I will spend my time trying to salvage these little kids that have been made orphans by these dirty hounds of hell. I will let somebody else work on them.

In estimating the importance of this challenge of crime, let us not forget that nature does not give additional capacity to those who do not use what they have. Of course, this task is difficult for the people; but their economic difficulties which must be dealt with now are more difficult. Difficulties are the gymnastic paraphernalia provided for the development of people. Our great difficulties are giving us a chance to be a great people. Nothing else would do that. No people were ever greater than their difficulties. We must have a great people now. We need a great people now. Nothing can save us except a great people. We have only the choice of conquering our difficulties or being destroyed by them.

CRIME DRIVING TO DUTY

It is a terrible reflection upon this generation that it has required the tyranny of the supergovernment of crime; that it has required the lash of these criminals to arouse us and drive us in the direction of our own security and liberty, and back to the responsibilities of a self-governing people. But the fact, the great fact is that at least we are moving in the right direction. I have recently taken many samples of public attitude. I know we are moving in the right direction. That is the brightest spot in the whole picture. We will win through when we become fitted to win and worthy to win, and not till then.

We are interested in the fact that in this movement against crime lies the hope that we may be able successfully to meet not only this crime problem, but with a citizenship fresh from the victory over organized crime, strengthened and developed and made fit by that contest, we may move on to a successful struggle with the greatest economic and governmental problems which up to this time have ever challenged the genius of any people. That is all I have got to say.

ADDITIONAL APPROPRIATIONS

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table House Joint Resolution 88, making additional appropriations for the Federal Communications Commission, the National Mediation Board, and the Securities and Exchange Commission for the fiscal year ending June 30, 1935, and for other purposes, with Senate amendments thereto, disagree to all of the Senate amendments, and ask for a conference.

The SPEAKER. The gentleman from Texas asks unanimous consent to take from the Speaker's table House Joint Resolution 88, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference. Is there objection?

Mr. SNELL. Mr. Speaker, I reserve the right to object. Are there very many points of disagreement in this suggested conference?

Mr. BUCHANAN. Not very many, because the resolution is short. However, there are several points in disagreement.

Mr. SNELL. In looking it over it seems to me that the main question in disagreement is the matter of the restoration of the pay of Government employees. If that is so, why can we not settle that right now?

Mr. BUCHANAN. Of course, that is a matter for the House to decide. In my judgment, the Senate provision should be modified somewhat.

Since the last Congress there have been a great many increases in salaries by the abolition of old positions and appointing the same employee to the new position, where the increases have ranged from \$60 to \$2,000, many of them five, six, seven, eight, eleven, fourteen, and to twenty thousand.

Mr. SNELL. How can that be done under the regular laws?

Mr. BUCHANAN. Does the gentleman think the 5-percent restoration ought to go to those people on that increased salary?

Mr. SNELL. I am in accord with the gentleman's position. I am not going to object to allowing this to go to conference, but I thought if that is all there was in dispute, the House is ready to express itself on the 5-percent proposition.

Mr. BUCHANAN. That is not all there is in dispute. There is another item in there of \$4,000.

Mr. SNELL. Under the rules and regulations, how can we do that?

Mr. BUCHANAN. They do that under a reexamination of the personnel of a department by some branch of the Civil Service Commission, under the set-up. They are supposed to be new duties. I believe the Civil Service Commission passes on that set-up. As a matter of fact, in my judgment, most of the duties do not require any greater ability. They may require all of their time which the Government is entitled to.

Mr. SNELL. It seems to me that is a fair criticism to be raised against the Civil Service Commission as presently constituted.

Mr. BUCHANAN. I do not know whether it is a criticism against the Civil Service Commission or the law which we enacted directing them to pass on these things. It is a criticism against somebody.

Mr. SNELL. I agree with the gentlemen that it is, and I am entirely in accord with his position that this should be stopped.

Mr. BUCHANAN. Then, if this goes to conference, the question I would consider is making the 5-percent restoration applicable to the small-salaried people. I can see no reason why ten, or twelve, or eight, or nine thousand dollar salaries should be restored. I am in sympathy with those who receive small salaries. Personally, I have no objection to the restoration of the 5 percent on those smaller salaries, but I do believe this can be trimmed down and I believe it ought to be trimmed.

Mr. MARTIN of Massachusetts. Will the gentleman tell us what he considers a small salary?

Mr. BUCHANAN. Twenty-five hundred dollars or \$3,000. I would not call that a small salary, but I would say that the limit I would endeavor to get in the Congress would be on \$2,500 or \$3,000 salaries.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. BLANTON. Reserving the right to object.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. FITZPATRICK. What will the saving be if the increase is not given to people drawing five or ten thousand dollar salaries?

Mr. BUCHANAN. I have not figured what the saving will be. I can only tell the gentleman that the entire amendment will cost about \$22,500,000. That applies to all employees of the Government and corporations in which the Government holds a majority of the stock. It applies to the private pensions, the Civil War pensions, and includes the whole scope of Government employees in the increase of 5 percent in their salaries. The total cost of that would be approximately \$22,500,000.

Mr. FITZPATRICK. The gentleman cannot tell us what the saving would be?

Mr. BUCHANAN. On the salaries over \$2,500 I cannot. I can only say that in one Department 60 employees received an increase ranging from \$500 to \$2,000.

Mr. FITZPATRICK. Does not the gentleman think that prices have increased and the cost of living has increased to the high-salaried people as well as to those of small salaries?

Mr. BUCHANAN. It is 13 percent in the District of Columbia and 18 percent in the Nation, below the standard which we fixed in 1928. When we first passed this law we provided it should be restored whenever the cost of living increased to the standard of 1928. It is still 13 and 18 percent below that.

Mr. FITZPATRICK. Will the House have an opportunity to vote on this?

Mr. BUCHANAN. Certainly. Under the rules of the House, the conferees will be compelled to bring this back for a vote, unless the Senate yields.

Mr. FITZPATRICK. Then we would have to vote it up or down?

Mr. BUCHANAN. No. When we go to conference, I will try to get this compromise which I am indicating to you, and I will bring it back to the House for a vote, and then the House can either vote it up or down or amend it, either one.

Mr. KVALE. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. KVALE. I should like to address myself briefly, if the chairman will permit, to the gentleman from New York. I read a statement in the morning paper, I may say, by a disinterested student, who stated that withholding pay restoration from all above a certain salary level—in other words, this proposition of not granting the increase to the larger brackets of salaries—would be nothing more than a political gesture, and that the difference in saving would not be of any consequence.

Mr. FITZPATRICK. That is correct. There is no doubt about that.

Mr. BLANTON. Mr. Speaker, I reserve the right to object merely to enable me to make some observations. I heartily agree with my colleague from Texas [Mr. BUCHANAN], Chairman of the Committee on Appropriations, in his contention that this resolution ought to be sent to conference so that the conferees may give proper consideration to all of the matters in disagreement.

The chairman has called attention to the fact that since we adjourned last June numerous employees have been shifted around, with the names of their positions changed, but whose duties remain practically the same, and increases in salaries granted them ranging from \$60 on up to \$2,000 additional to the salaries they were drawing before the change.

This situation should remind us of the fact that Congress has lost all control of salaries. Prior to the passage of the Classification Act in 1923 Congress did control salaries. Prior to 1923 all salaries were fixed by Congress. The act of 1923 took such control away from Congress, and out of the hands of Congress, and placed in a board composed of Government employees the power and authority to grade, classify, and fix the salaries of all Government employees. Many employees had their salaries doubled. Some of them had their salaries trebled. Some employees who were getting \$1,000 were jumped to \$2,500 and even \$3,000. Some who were getting from \$1,300 to \$1,500 were increased to \$2,600 and on up to \$3,500. Some who were getting \$1,800 were increased to \$3,400 and on up to \$5,000. Some who were then getting \$2,500 were jumped up to \$5,000. Some who were getting from \$4,000 to \$5,000 were increased to \$7,500 and on up to \$9,000, and even up to \$10,000. Just when are we going to take back into this Congress the right to control those salaries?

We have got to do it sooner or later, and I hope we will do it in this session.

Mr. BULWINKLE. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. Yes; I yield.

Mr. BULWINKLE. I should like to ask the gentleman from Texas how many of these positions there are where there have been increases from \$3,000 or \$4,000 to \$10,000?

Mr. BLANTON. The ones raised to \$10,000 formerly received from \$5,000 to \$7,500. There are a good many of them. I wish our friend from North Carolina would get the hearings on the recent District bill and look on pages 104 to 110, which will illustrate my point by showing raises granted to the District officials here since said 1923 act. Practically every one of them has had his salary doubled and some of them have had their salaries trebled under this 1923 Classification Act. These raises well illustrate the raises granted to Federal employees.

Mr. BULWINKLE. I know, but the gentleman does not state that there is any number.

Mr. BLANTON. Oh, there is a bunch of them.

Mr. BULWINKLE. I should like the gentleman to tell us how many.

Mr. BLANTON. I think there are at least 5,000 employees who have had their salaries practically doubled under the 1923 act and have been increased beyond any reasonable amount, far beyond what this Congress ever would have done in any situation.

Mr. BULWINKLE. So the gentleman states that there are 5,000 who have had their salaries increased from \$3,000 to \$10,000?

Mr. BLANTON. Oh, no; not from \$3,000 to \$10,000, but who have had their salaries doubled. The ones raised to \$9,000 and \$10,000 formerly received \$5,000 or \$6,000 or \$7,500 before the Reclassification Act was passed in 1923.

Mr. SNELL. Mr. Speaker, will the gentleman yield for a question?

Mr. BLANTON. Certainly.

Mr. DUFFEY of Ohio. Mr. Speaker, I demand the regular order.

The SPEAKER. The regular order is demanded. The regular order is, Is there objection to the request of the gentleman from Texas?

Mr. LEHLBACH. Mr. Speaker, I will object if we cannot have a little discussion on this important matter. I will object until the request for the regular order is withdrawn.

Mr. BLANTON. I wish, Mr. Speaker, that I had the time to point out specifically the many positions in this Government where, under the provisions of the Reclassification Act this Congress passed in 1923, allowing a board composed of Government employees to grade and fix salaries of Government employees, salaries of many employees have been doubled and trebled since 1923.

There is fresh in my mind the increases which under this same 1923 act were granted to employees of the District of Columbia, as we recently went into this matter thoroughly while we were holding hearings on the pending District of Columbia appropriation bill. The increases granted under this 1923 act to these District of Columbia employees will illustrate exactly like increases that were granted under this same 1923 act to regular Federal employees of the Government.

If you will look on pages 104, 105, 106, 107, 108, 109, and 110 of the hearings on the pending District of Columbia appropriation bill, you will see that I caused to be printed the names and positions of more than 400 employees of the District of Columbia, drawing salaries from \$2,500 to \$9,000, whose salaries were about doubled, and some trebled, by said act of 1923.

I want to mention some of them. The Commissioners were raised from \$5,000 to \$9,000. Their secretary was raised from \$2,700 to \$5,600. Their auditor was raised from \$4,000 to \$9,000. The corporation counsel was raised from \$5,500 to \$9,000. His principal assistant was raised from \$3,000 to \$7,000. Another assistant was raised to \$7,000. Another assistant was raised from \$1,800 to \$5,600, more than trebled. Another assistant was raised from \$1,500 to \$3,200. Another

assistant of the corporation counsel was raised from \$1,000 to \$3,200, more than trebled. The municipal architect was raised from \$3,600 to \$7,500. The tax assessor was raised from \$3,500 to \$7,500. He had four assistants raised from \$3,000 to \$4,800, and two assistants raised from \$2,000 to \$4,800. The coroner was raised from \$1,800 to \$3,200. The surveyor was raised from \$3,000 to \$5,000, and one of his assistants was raised from \$1,800 to \$3,500, and another from \$1,500 to \$3,000, and another from \$1,200 to \$2,800.

The chief librarian was raised from \$4,000 to \$8,000 and his assistant from \$2,000 to \$4,000, and one of his chiefs was raised from \$1,400 to \$3,200. The superintendent of trees was raised from \$2,000 to \$5,200 and his assistant from \$1,350 to \$3,200. The director of sewers was raised to \$7,500, and one of his assistant from \$3,300 to \$5,000. The superintendent of refuse was raised from \$4,000 to \$6,000, and his street-cleaning director from \$3,000 to \$5,000, and the garbage director from \$2,500 to \$5,000. The playgrounds supervisor was raised from \$2,500 to \$4,600. The superintendent of janitors in schools was raised from \$1,500 to \$3,500. The health officer was raised from \$4,000 to \$7,000, with one assistant from \$2,500 to \$5,600, and his chemist from \$2,000 to \$4,600, and one assistant from \$1,500 to \$2,600, and two inspectors raised from \$1,200 to \$2,700. The poundmaster was raised from \$1,400 to \$3,080. The juvenile judge was raised from \$3,600 to \$7,000. The alienist was raised from \$1,500 to \$3,500. The director of welfare was raised to \$8,000, his assistant to \$5,600, his medical officer from \$1,400 to \$3,400, and one social worker raised from \$900 to \$2,600. The jailer was raised from \$1,680 to \$4,400, and the superintendent of workhouse from \$3,500 to \$6,000, and of the reformatory from \$1,800 to \$5,000, and the brick-plant chief from \$1,500 to \$3,000. The superintendent of the Gallinger Hospital was raised to \$7,500, and one chief to \$5,600, another to \$4,600, 3 to \$3,200 each, and 6 to \$2,600 each. The chief of buildings and parks was raised from \$2,500 to \$5,000. The Zoo Park chief was raised from \$3,300 to \$6,500. The water superintendent was raised from \$3,300 to \$5,800.

I have quoted the above from the more than 400 District of Columbia employees, whose names and positions I had set out in said hearings, showing their increases granted under said 1923 act, and they will illustrate the raises which have been granted to thousands of Federal employees of this Government under said act. The District of Columbia is merely a city of 500,000 inhabitants, while the Government of the United States has almost 100,000 employees in Washington alone. The more than 400 District employees I listed by name and position in said hearings are additional to the 1,300 Metropolitan Police and almost 1,000 firemen and about 3,000 school employees of the District, all of whom got their raises under a different act of Congress. And it will be remembered that the salary of the superintendent of schools has been raised to \$10,000. Numerous Federal salaries have been raised to \$10,000, \$12,000, and some to \$15,000.

It is time, Mr. Speaker, that this Congress takes back unto itself the control of salaries. This Congress should fix all salaries. No board composed of Federal employees should have the right to classify and grade and fix the salaries of their fellow employees. The people of the United States elected their Representatives and their Senators and are depending upon them to hold the purse strings and to retain the control of salaries.

It is perfectly right and proper, therefore, that the request of our chairman should be granted, and this bill should go to conference, and he should be permitted to adjust all raises in salaries which have been granted, as he says to many employees of from \$60 to \$2,000, with their duties unchanged, and granted in addition to their former raises given them under the original Classification Act of 1933.

Mr. BOYLAN. Mr. Speaker, reserving the right to object, I may say to the chairman—

Mr. BUCHANAN. Mr. Speaker, I have the floor.

Mr. BOYLAN. I understand that; but I reserved the right to object.

Mr. BUCHANAN. I have the floor, but I will yield to the gentleman.

Mr. BOYLAN. I thank the gentleman. The matter of promotions as raised by the chairman of the committee is entirely beside the question; it has nothing to do with the matter of the increase in the present salaries. There is no question about it, and I sincerely trust the committee will not report any such amendment as proposed here this morning, because the saving by its adoption would be so insignificant as to savor almost of petty larceny. Everybody is entitled to the pay increase, irrespective of what his salary is. Many men in the higher brackets are suffering more from present conditions than are those in the lower brackets. Much time has been spent by certain Members of the Senate and House in working out this compromise. I sincerely trust the committee in its deliberations will not consider any such ridiculous amendment. [Applause.]

Mr. MEAD. Mr. Speaker, reserving the right to object, I believe the Members of the House are extremely anxious to pass judgment on this question, which has been, in my estimation, so reasonably adjusted by the Senate. I believe it would be proper parliamentary procedure if we were to permit the naming of the conferees and then to instruct our conferees to concur in the pay-cut restoration as prescribed by Senate amendment no. 7. I really believe the Members of the House are anxious to dispose of this question right now. They are thoroughly familiar with the subject. I really believe the matter ought to be decided definitely by the House by instructing our conferees to concur in the Senate amendment to this particular item.

Mr. O'MALLEY. Mr. Speaker, will the gentleman yield?

Mr. MEAD. Yes; I yield to the gentleman from Wisconsin.

Mr. O'MALLEY. This would enable the House to save time. The House is ready to vote on it now, and we could dispose of this matter today.

Mr. MEAD. The gentleman is quite correct. We are ready to make our decision on this question today; further delay, in my judgment, is unnecessary.

Mr. LEHLBACH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. LEHLBACH. Pending the appointment of conferees, after disagreement with all the Senate amendments, would it be in order, with the consent of the gentleman preferring the unanimous-consent request, now to move to recede and concur in Senate amendment no. 7?

The SPEAKER. The Chair will state that that would require unanimous consent. The gentleman from Texas is asking unanimous consent to take the bill from the Speaker's table, disagree to the Senate amendments, and ask for a conference.

Mr. LEHLBACH. Assuming that request was not pending but that the bill was called up, would it be in order to make the preferential motion to recede and concur? I think this is a preferential motion, and the bill being before the House, it would be in order.

The SPEAKER. The Chair will state to the gentleman that unanimous consent would be necessary in the first instance to take the bill up for consideration. Of course, if that unanimous consent was granted, a motion of that kind would be in order.

Mr. TABER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. TABER. Mr. Speaker, would it not be in order now to send the bill to conference, and then the House can take such action as it pleases with reference to the matter after it has gone to conference? Is not that correct?

The SPEAKER. Of course, the House could not take any action until after the joint resolution is reported back from the conference.

Mr. TABER. Mr. Speaker, could we not instruct the conferees?

The SPEAKER. Certainly, the House has it within its power, if the motion is made at the proper time, to instruct the conferees.

Mr. SNELL. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SNELL. That motion would have to be made before the conferees are appointed.

The SPEAKER. That motion could be made after the House agreed to the request of the gentleman from Texas and before the appointment of conferees. Is there objection to the request of the gentleman from Texas to take the bill from the Speaker's table, disagree to all the amendments of the Senate, and ask for a conference?

There was no objection.

Mr. MEAD. Mr. Speaker, I move that the conferees be instructed to concur in Senate amendment no. 7, the pay-cut amendment.

The SPEAKER. The gentleman from New York offers a motion to instruct the conferees, which the Clerk will report.

The Clerk read as follows:

Mr. MEAD moves that the conferees be instructed to concur in Senate amendment no. 7, the pay-cut amendment.

The SPEAKER. The question is on the motion of the gentleman from New York.

The motion was agreed to.

The SPEAKER. The Chair appoints the following conferees: MESSRS. BUCHANAN, TAYLOR of Colorado, ARNOLD, OLIVER, TABER, and BACON.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate disagrees to the amendment of the House to the bill (S. 1175) entitled "An act to extend the functions of the Reconstruction Finance Corporation for 2 years, and for other purposes", requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. FLETCHER, Mr. GLASS, Mr. WAGNER, Mr. NORBECK, and Mr. TOWNSEND to be the conferees on the part of the Senate.

INDEPENDENT OFFICES APPROPRIATION BILL, 1936

Mr. WOODRUM. Mr. Speaker, I call up conference report on the bill (H. R. 3410) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1936, and for other purposes.

The Clerk read the title of the bill.

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3410) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1936, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, and 6, and agree to the same.

C. A. WOODRUM,
JOHN J. BOYLAN,
RICHARD B. WIGGLESWORTH,

Managers on the part of the House.

CARTER GLASS,
JAMES F. BYRNES,
FREDERICK HALE,

Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3410) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1936, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

On amendment no. 1: Provides, as proposed by the Senate, for the purchase of one motor-propelled passenger-carrying vehicle at a cost of not exceeding \$2,400 for the American Battle Monuments Commission.

On amendment no. 2: Under the Securities and Exchange Commission, authorizes rent of "quarters outside the District of Columbia; rental of equipment"; as proposed by the Senate, instead

of rent of "building and equipment at the seat of government and elsewhere", as proposed by the House.

On amendment no. 3: Under the Securities and Exchange Commission, appropriates \$2,234,494 for salaries and expenses of the Commission, as proposed by the Senate, instead of \$2,000,000, as proposed by the House.

On amendment No. 4: Corrects a total.

On amendment no. 5: Under the appropriation for administrative expenses of the Veterans' Administration, retains the following proviso proposed by the Senate:

Provided further, That when found to be in the best interest of the United States, not to exceed \$500,000 of this amount may be used for payments to State institutions caring for and maintaining veterans, suffering from neuropsychiatric ailments, who are in such institutions on the date of the enactment of this act.

On amendment no. 6: Corrects a date.

C. A. WOODRUM,
JOHN J. BOYLAN,
RICHARD B. WIGGLESWORTH,
Managers on the part of the House.

Mr. TABER. Will the gentleman yield for a question?

Mr. WOODRUM. I yield to the gentleman from New York.

Mr. TABER. There is one item in the report I do not understand, and that is with reference to the authority to pay \$500,000 to State institutions. Will the gentleman explain that item?

Mr. WOODRUM. Mr. Speaker, amendment no. 5, referred to by the gentleman from New York [Mr. TABER] is the amendment offered in the House by the gentleman from Illinois [Mr. LUCAS], which went out on a point of order.

At this particular place in Illinois there are two State institutions where there are a number of veterans housed for which the Government pays a certain agreed amount under contract. Fear was expressed last year and again this year that those veterans might be moved from State institutions to Government hospitals, but assurance was given by the Veterans' Administration that such would not be the case. We hoped it would not be insisted that the amendment go in; however, the Senate has put it in and is very insistent upon the amendment.

The amendment does not increase the appropriation and so far as the practical effect of it is concerned is not material or important. The conferees did not feel it was a matter about which there should be any particular controversy.

The only amendment to the bill of any consequence is amendment no. 3 of the Senate which reinserts the full amount estimated by the Bureau of the Budget for the Securities and Exchange Commission. You will recall that in the House we made a substantial curtailment of that figure on the theory that we hoped this Commission would proceed a little more cautiously and conservatively in building up a very big organization. The House reinserted a portion of the cut, but the Senate put the whole figure back, so the bill comes here in final shape practically verbatim as the Budget sent it to the Congress.

At a more appropriate time and before the session is over, I hope to take a few moments to comment on the work of the Appropriations Committee, of which I am a member. It is one of the greatest committees of the House. It is a hard-working committee, with a splendid, fine crowd of clerks, but I hope I shall be able to point out to the House and to my colleagues on the committee where this great committee may perform a useful service to the House and a useful service to the country. We heard just a few moments ago from the Chairman of the Appropriations Committee, and in the colloquy that followed, that in many instances the specific edict of the Congress against increases in salaries during this emergency had been voided by having a man's or woman's position changed and the duties somewhat changed, thereby enabling them to get a higher grade and a larger salary. I do not think that has been abused quite so much as might appear from the colloquy, but undoubtedly it has been abused some.

It is utterly impossible for a committee of this Congress, with the limited facilities at our disposal, to go into anything like a careful or a thorough audit or scrutiny of the vast expenditures of this Government. Billions of dollars and

hundreds of thousands of employees are involved, and I say with all deference and respect to our great committee and with full appreciation of the splendid, untiring work of our clerks, eight in number, that when it comes to anything like a careful audit or scrutiny of the expenditures of the Government I do not believe any man on the committee will say that we do it. We do not scratch the surface.

Mr. ARNOLD. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Illinois.

Mr. ARNOLD. The gentleman is aware of the fact that under our system of hearings they are more or less ex parte. We simply hear from the heads of the Departments. Has the gentleman in mind the idea of independent investigation by the Appropriations Committee?

Mr. WOODRUM. Absolutely.

Mr. ARNOLD. I commend the gentleman for his ideas along that line.

Mr. WOODRUM. I thank the gentleman.

Mr. RICH. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Pennsylvania.

Mr. RICH. If the statements just made are correct and the eight clerks are not able to do the work necessary, does not the gentleman believe he ought to put on a clerk or two, and that that would be a matter of economy so far as the Government is concerned?

Mr. WOODRUM. I think so, but may I say that the Members, myself included, are cowards when it comes to the question of providing ourselves with proper facilities. We will put some little departmental chief behind a mahogany desk and give him so many secretaries, assistant secretaries, and messengers that you can hardly get into his office; yet when it comes to the question of giving ourselves the proper instrumentalities so that we may discharge our duty, we hesitate to do it, because we are afraid the people in the country will say we are creating just another position.

Mr. RICH. Does not the gentleman believe the people back home, when they know it is a matter of economy and can be so explained, will be glad to cut down the Government expenses and go along with Congress?

Mr. WOODRUM. I think they will.

Mr. BOYLAN. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from New York.

Mr. BOYLAN. I am very glad that the gentleman answered the distinguished gentleman from Pennsylvania [Mr. RICH] who does not want a man to get even a little printed matter put in the Record, he is so careful about economy. That is the trouble. The House has always had an inferiority complex. They do not want to spend the money to get the right tools, the right help, and the right facilities. [Applause.]

Mr. SNELL. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from New York.

Mr. SNELL. I am very much interested in the statement the gentleman made relative to the duties and the good work of the Appropriations Committee of the House. I am 100 percent for that committee. I believe that the House, if given an opportunity through the Appropriations Committee, will guard these expenditures very carefully and that was one of the reasons I so strongly opposed the \$5,000,000,000 appropriation last week. I thought it would have a better effect on the whole country if Congress dictated the expenditure of those funds.

Mr. O'CONNOR. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from New York.

Mr. O'CONNOR. Does not the Director of the Budget make an investigation of these matters between sessions of the gentleman's committee?

Mr. WOODRUM. I am going to refer to that. Perhaps it will not be wasted time if we take just a minute on this subject, because it is an important one.

Under our present system of appropriating for the regular establishments of the Government—and, after all, we must

make a distinction between these emergency expenditures and the regular administrative expenses of the Government—the appropriation estimates come to us as the estimates of the President. The investigation for the President is made by the Bureau of the Budget. We get nothing in the House or in the Committee on Appropriations except the estimates.

The Bureau of the Budget estimates, for instance, for the Securities and Exchange Commission, \$2,300,000 for the following employees, and we have no way whatever of knowing what facts influenced this action by the Bureau of the Budget; what investigation or examination they made or why they increased it or reduced it, as the case may be. We have no way of knowing what representations were made to the Budget for such an appropriation, and bear this very important fact in mind: This confidential hearing of the President before the Bureau of the Budget was probably from 6 to 8 or 9 months before the time we come to take action and, usually, 12 months from the date upon which the particular estimates of appropriation come into being and are referred to our hard-working, diligent, careful subcommittees.

I want to reiterate here, Mr. Speaker, if you will take the hearings of some of these subcommittees, including the one of the distinguished gentleman from Illinois who is now bringing you the Post Office and Treasury bill, with Mr. TABER as the ranking Republican member, and the subcommittee of the distinguished gentleman from Alabama [Mr. OLIVER], whom I see sitting here, and others, you will see that they give a great deal of time and patient thought to these hearings. But what does it amount to?

We summon before the subcommittee the bureau chiefs and their confidential advisers and their Budget officers. They have been busy for 6 months getting their data and their statements ready to bring to the Appropriations Committee to justify their expenditures; and if you ever think that they are not cagey, then go and examine some of them. They have spent days and nights and months caucusing and reviewing and preparing themselves and building up their defense—and what do we have?

We have, as my friend here has stated, an ex parte hearing, and if we are persistent and so fortunate as to be able to back one of them up in a corner, perhaps, sometimes we can catch him and cut a few thousand dollars off his estimated appropriation; and then, if we do, he usually goes to the Senate and it is promptly put back.

Most of you gentlemen are lawyers, and I will speak to you in the parlance of the craft. I think when a department comes to Congress for an appropriation it ought to be a situation somewhat analogous to a man who is suing a person in court for a certain amount. I think the department ought to say to the House of Representatives, "You have given us a job to do or a contract to perform, and here is the bill that we present you for it." I think they ought to be required to produce evidence and show by a preponderance of satisfactory proof that it does require that many employees and that many dollars to do the job.

Examine some of these estimates. I wish I might have prepared and presented to you some of the figures. The item of travel expense alone runs into hundreds of thousands of dollars, as well as the item of stenographic reporting, the item of rent, and so on. I might go down the category of these estimates.

When we go into our hearing we bring the bureau chiefs or the department chiefs before us, and we proceed to try to cross-examine and try to get something on them by way of cross-examination.

Mr. Speaker, it would be like going into court to defend a case where you have to rely entirely on your ability to build up a defense of the case by your cross-examination of your opponent.

Now, to what does this lead me? To answer the question of my friend from Illinois, I want in these hearings a witness or two for the defense. I want in these hearings, sitting by the chairman of the subcommittee, a capable, competent, carefully-trained man who has been in these departments, independently, and has examined their esti-

mates and examined their need for increased personnel, examined their need for exorbitant travel expense and communication expense, who will be able to sit beside me when I am examining the witnesses and tell me the questions to ask and point out to me where a case may be developed for Uncle Sam.

Of course, this means personnel. The man who will be capable of doing this job will have to be paid for it, but I say to the House of Representatives that if you would give me a man of this kind on the independent offices appropriation bill for 1 year I will save you 25 times his salary without impairing the efficient operation of the Government service.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. O'CONNOR. Did we not have some sort of department like that which was abolished a year or two ago?

Mr. WOODRUM. A year or two ago we had what was known as the "Bureau of Efficiency." It became one of the most unpopular bureaus or Government agencies. Why? Because every time they went into a department or into a Government agency and cut down their appropriations they drew the fire of that department or agency, and it is a powerful fire.

It became so unpopular that Congress abolished it; but I think the Appropriations Committee appreciated its activities. It was an independent bureau that we could call upon.

My idea is that the Appropriations Committee itself ought to have its own staff of confidential men, highly trained auditors, who by careful experience and contact could go into the different departments when our hearings start and lay on our desk a brief for the defendant. It would not only bring economy but increased efficiency, and the very fact that there was such an agency would have a deterring effect on some of these exorbitant requests that are made by the departments.

Mr. MOTT. Will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. MOTT. It would require legislative authority by Congress to get what the gentleman wants, would it not? Has the gentleman asked for that authority?

Mr. WOODRUM. Before the session is over I will ask for it, and I hope Members will assist me in getting it.

I think I can tell you how it will be done. If Congress will give our distinguished chairman the right to ask any bureau or department, say on the independent offices appropriation bill, to detail him or the subcommittee chairman any person he may ask for during the next fiscal year—and I know a bureau or department where there is a man or two that I could detail to my subcommittee who I know would do a good job. It would not interfere with the department.

Mr. O'CONNOR. Will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. O'CONNOR. The gentleman does not mean that he would investigate his own department?

Mr. WOODRUM. That along with others.

Mr. O'CONNOR. Does the gentleman think that is wise?

Mr. WOODRUM. In this particular instance; yes.

Mr. HAINES. Will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. HAINES. Is it not a fact that all business corporations are doing the very thing the gentleman is advocating here?

Mr. WOODRUM. I think so. Now, I say this without reflecting on a bureau or any chief of a bureau or head of any department. They are human beings, and it is just natural and absolutely human for a department or bureau chief to want to see it grow and expand and increase and reach out for more power. It is human, and unless there is some method of holding it down, we have the result that you see in this very bill.

Yet the Securities and Exchange Commission, charged with important duties—and no one will minimize them—which the American people want to see carried out, has started out with an exorbitant idea of what the Bureau is

to be, and if they go ahead, as apparently we will let them, in a year or two it will be larger than any two governmental departments put together.

In spite of emergency expenditures, separating those two, there has been substantial progress made toward balancing the ordinary expenses of the Government with the Budget, and this committee has made its contribution to that. This committee is interested, Democrats and Republicans, Republicans and Democrats, as I stated in presenting the bill originally, in seeing that important governmental agencies are adequately financed, and, second, in seeing that they are not overfinanced and overmanned.

Mr. Speaker, I had not intended at this time to go into this discussion, but the matter came up and I submit it to my colleagues, especially for the consideration of my colleagues on the Committee on Appropriations and our distinguished chairman; and if they approve it, I shall ask in my bill for authority to draft personnel from one or two of the departments to assist in checking these expenditures in any one fiscal year.

Mr. ARNOLD. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. ARNOLD. I am in accord with the general purposes of the gentleman and what he is seeking to do, but I do not believe the man who is to do this work should be selected from the departments. I think we ought to have an agency that is entirely outside of any of the departments, an agency that the department heads cannot influence in any way, and I think the man selected should be someone entirely outside.

Mr. WOODRUM. That would be very much better, if we are willing to pay the money, and I say that we ought to do it.

Mr. LUDLOW. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. LUDLOW. What is the gentleman's estimate of what it would cost to increase the personnel of the Budget Bureau so that there might be one expert assigned to each of the legislative subcommittees of the Committee on Appropriations for this particular work that the gentleman speaks of?

Mr. WOODRUM. I do not believe it would take one expert for each subcommittee. I think two or three highly trained, competent men, with some clerical assistants, could direct this work, and I say to the gentleman that he would not have to go into each department every year. If they had gone through a department once, then to check the accounts the next year would be a small matter. Auditing it at first would be the important work.

Mr. LUDLOW. My experience on the Committee on Appropriations tells me that the gentleman is on the right track. I think a great deal of good would come from his proposition, and I think the personnel should not be detailed from existing bureaus but should be independent and an uninfluenced personnel chosen independently. I agree with the gentleman from Illinois [Mr. ARNOLD] in that respect.

Mr. COLE of Maryland. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. COLE of Maryland. I am wondering if the idea the gentleman suggests, which I approve very much, could be put into effect almost immediately. Here we are with only about 3 weeks gone of the present Congress. If it could be done we could get the benefit of this large saving in the next fiscal year. Would that be possible?

Mr. WOODRUM. The Budget estimates are already here for the fiscal year beginning next July. We find sometimes in these appropriations that the picture is so entirely changed from the time these departments go before the Budget and the time they come here that they do not need appropriations for this particular item or for that particular activity, but we have got to get at it by stumbling along blindly, going on a wild fishing expedition to find it out.

Mr. SNELL. Mr. Speaker, will the gentleman yield me 2 minutes?

Mr. WOODRUM. Certainly.

Mr. SNELL. Mr. Speaker, I have been very much interested in the explanation the gentleman has made about the good work of the Committee on Appropriations. I entirely agree with him as far as his general statement goes, but I cannot understand why the gentleman's committee should have brought into the House last week a proposition of practically \$5,000,000,000 of extraordinary expenditures and not have given it any more attention than they themselves say they gave to the proposition. If it is necessary to go through and examine the detailed expenditures of the regular departments of the Government, which to a certain extent we are familiar with, and the total of which runs only in the vicinity of around \$3,000,000,000, it seems to me that it is even more necessary on the part of this body that is responsible for these expenditures to give some time at least to getting information in regard to extraordinary expenditures that go 150 percent more than the regular expenditures of the Government. That is something in the gentleman's statement that I cannot quite understand. I appreciate the fact that there is some difference between ordinary and emergency expenditures, but the emergency expenditures that we were providing for last week have been going along in this Government for between 1 and 2 years, and certainly somewhere, some place, there must be some kind of plan to carry forward the expenditure of this money.

Does not the gentleman think, because of the size of that appropriation, that we should have had a little more information than his great committee, which is so careful, was able to give us at that time. I certainly cannot understand why my good friend has apparently changed his position today from the one he took last week. Today he is in entire accord with the position I took last week when we had a proposition before us to give the President five billions without any information whatsoever. This proposition came from your same efficient committee, yet you did not have, or did not want to give us any information whatsoever. My position then was the same as it is today. I am, and always have been, in favor of Congress doing its full duty in giving consideration to the spending of the taxpayers' money.

I hope my friend will keep in mind his statement today before he again criticizes some of us for opposing such a proposition as we rightfully opposed last week.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield for a question that is not political?

Mr. WOODRUM. Yes.

Mr. COCHRAN. There has grown up recently a practice of taking men from one Government agency to another and putting them in a position similar to the one they held, but the agency taking the individual over, working under a lump-sum appropriation, increases the individual's salary two or three thousand dollars a year. Is there something that the Committee on Appropriations can do even in connection with lump-sum appropriations that will break up that practice? There is no reason why a temporary organization or an organization that eventually will be made permanent, should take a man from one Government agency into its department or bureau and increase that man's salary to do the same class of work that he was doing before that agency took him over.

That is all over the Government. That has been done in the last 2 years; it has been done in the last few months. It should be stopped.

Mr. WOODRUM. Mr. Speaker, replying to the observations of the gentleman from New York [Mr. SNELL], at least in minds of a majority of the committee, it was utterly impracticable and utterly impossible to determine in advance exactly where and exactly how the particular funds which the House voted to turn over to the President should be spent for this work program. The element of time entered into it. We are now appropriating, in these regular establishments, for the fiscal year which begins July 1 next.

The Budget examination of those estimates started last August. It takes time to do this. The Bureau of the Budget held hearings. The Committee on Appropriations held hearings. They are the established organizations. We

have some tangible idea of what their job is and how they ought to handle it.

As to the relief bill, the situation is entirely different. The President asked Congress to give him the instrumentalities whereby he might take 3,500,000 able-bodied men off the humiliating relief rolls and put them to work. He told the Congress the types of projects that he would use. He told the Congress in his message and in testimony before our committee that there were projects ready that could be started within 30 days from the time this resolution was passed, if we gave him the authority to do it. Because of the emergency nature of it, because of the temporary character of it, the House voted to give him that instrumentality, and provided that the expenditures should be audited and that a full report of all expenditures and commitments should be made to Congress.

Mr. SNELL. Will the gentleman yield further?

Mr. WOODRUM. I yield.

Mr. SNELL. There seems to be an opportunity for the Senate of the United States to get some information in regard to this. It seems that the House itself would have been in a better position before the country if it had given some attention and taken a little time and had gotten a little of that information that will probably be presented to the Senate before the Senate acts on this measure. According to the statement made by the administration that this money is not to be spent until after the 1st of July, it seems to me that we could have well paused a little while, for 2 or 3 weeks at least, and gotten some information in regard to it, and the House would have been in a better position before the country.

Mr. WOODRUM. Well, Mr. Speaker, I do not want to get diverted into a rehash of the work-relief bill. We passed that bill.

Mr. TABER. Will the gentleman yield to me?

Mr. WOODRUM. I yield to the gentleman.

Mr. TABER. I want to say a word or two about the way in which some such thing as the gentleman has suggested might work. I can remember when the various committees of Congress used to go around the country and check up on some of these projects. The danger there came to be that those Members who went around became the propagandists for the projects that those in the Department were trying to put across. I can remember when committees of Congress, both special committees and appropriation committees, attempted to utilize the service of the Bureau of Efficiency, and the Bureau of Efficiency set up so elaborate a program for handling some of the situations which they investigated that it required knocking down on the part of the subcommittee. Perhaps there is no way out of it, but it seems to me, and it always has seemed to me, that extreme haste in crowding our appropriation bills on was bad—that is, the general bills; that our committees, perhaps, ought to give more consideration to them; and the members of the committees themselves, and through more intensive work on the part of the clerical forces which we have in season and out of season, should try to drive these appropriations down rather than try to build them up through representatives in the individual departments and propagandists on behalf of the departments. I am afraid of turning over to propagandists the work of checking up on those departments. I think that during the session, after the bills are disposed of, and while Congress is in recess, the clerical force of the committee should be organized for investigation, and I think we should try through that and through longer sessions on the part of the committees, possibly in the hearings on these bills, to drive down these appropriations, because there is no force outside of the Committee on Appropriations which will work relentlessly to drive down those appropriations.

Mr. WOODRUM. Does not the gentleman think the Committee on Appropriations should have the personnel that would have time to do that?

Mr. TABER. If they were absolutely under the control of the committee; yes.

Mr. WOODRUM. Well, they could be under the control of the committee. I do not think the gentleman can give

very many illustrations of departments that have been shrunk very much or that you have been able to drive down. The momentum has usually been the other way.

Mr. TABER. None of them has been driven down. It has been a struggle every minute for the committee to drive them down.

Mr. GIFFORD. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman.

Mr. GIFFORD. Being one of the helpless members of the Committee on Expenditures, the ranking member, as I have said several times, I have often thought that we ought to have something to do in relation to these matters. I sympathize with the gentleman's effort. I served a long time on the committee on appropriations in my State and I understand. But I want to remark this, that the other day on that tremendously large appropriation bill on which you gave us so little information—

Mr. WOODRUM. Now, Mr. Speaker, I refuse to yield further to the gentleman.

Mr. GIFFORD. Will the gentleman let me make one remark?

Mr. WOODRUM. No, sir; not right now.

Mr. GIFFORD. The gentleman is afraid of it. It is really a very important remark.

Mr. WOODRUM. I am sure it is. I will permit the gentleman to sit down and listen to me for a minute. I did not want to start any political row; but if you want a political row, we can have it. The work-relief bill was passed by Congress because a majority of this body trusted the President of the United States. They did it the other day, and they will do it again if it is necessary.

I may say to my good friend from Massachusetts, splendid, lovable, amiable, distinguished gentleman that he is, but who cannot resist the opportunity to effuse bitter partisan discussion, I did not start to talk politics. We do not have politics in the Appropriations Committee; we never have them. You cannot tell a Democrat or a Republican in there by what he is trying to do on the committee. I want, however, to say this to my friends over there who are still smarting under the display of confidence and courage that was given the administration by this body—God knows what will happen in the other one. But I know what we did here. We stood back of Franklin D. Roosevelt, and we are going to help put his program through. [Applause.]

Mr. GIFFORD. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. I do not yield to the gentleman. We are going to help put his program through in spite of the monkey-wrench throwers on this side of the aisle.

That is enough of politics. I did not start to talk politics, but the gentleman on the other side could not resist taking a couple of gibes at me; and there you are.

Now, Mr. Speaker, I shall be glad to yield to my distinguished friend from Massachusetts. My conscience hurts me; I cannot resist.

Mr. GIFFORD. Mr. Speaker, after his impassioned speech of last week, I felt the gentleman from Virginia ought to yield to me; and I had not uttered a word of politics when he stopped me. I was going on to tell him that, knowing the beautiful singer he is, the lovely fellow that he is, I know that when he was making that speech the other day he was singing to us the Two Grenadiers Ready to Die for Their Emperor.

Mr. WOODRUM. Righto. Righto. I know the gentleman from Massachusetts is an eminent pianist. Perhaps the Members of the House do not know this. Maybe some day we shall entertain them.

Mr. GIFFORD. I will play that for the gentleman.

Mr. WOODRUM. Fine. Now, if I am to sing the Two Grenadiers, if I could get just a little teamwork from the gentleman from Massachusetts and his party, then things would go along a little bit better. [Laughter.]

Mr. WEARIN. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. WEARIN. I feel as does the gentleman from Virginia with respect to expert examinations, but would it not

be a good idea to have these experts employed by the committee and responsible to the committee and to no one else?

Mr. WOODRUM. It would be very much better, I may say to the gentleman.

Mr. Speaker, there are really no controversial items in this conference report, and unless the gentleman from Massachusetts, Mr. WIGGLESWORTH, desires some time, I shall move the previous question.

Mr. Speaker, I move the previous question on the adoption of the conference report.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the conference report.

The conference report was agreed to.

PAY-RESTORATION AMENDMENT

Mr. CARPENTER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. CARPENTER. Mr. Speaker, on March 3, 1933, the national debt of this Government was \$21,362,465,375. It was because of this debt and the deficit caused thereby, and the fact that the national income was less than the expenditures, that the Congress of the United States passed the economy bill reducing the salaries of all Federal employees 15 percent, and abolished the sick leave and the vacation on full pay. At the same time all veteran legislation, except that applying to Civil War veterans and veterans of prior wars, and compensation was repealed. The veterans received drastic cuts, and a great part of their benefits were abolished. The effect of this pay restoration is that the Federal employees have now been restored to the same full pay they were getting at the peak of our prosperity, whereas all the governmental economy now rests on the veteran alone, and the veteran is thereby made the goat.

The expenditures for the fiscal year of 1934 were \$7,105,050,084, and the national income was \$3,155,554,049. The national debt as of January 28, 1935, was \$28,476,866,258. Yet today, notwithstanding the fact that the national debt and the deficit is greatly in excess of what it was in March 1933, the House, without debate or the privilege of debate, restored the Federal salaries in full commencing April 1, 1935, thereby going into complete reverse in regard to governmental economy. This, of course, restores the Congressmen's salaries back to \$10,000, as they formerly were. This action was taken without a record vote; and while I voted against it on the motion submitted to restore the salaries, this is the only method that I have of recording my vote and how I feel in regard to this matter.

It has been stated many times during this session of Congress, especially when the \$4,000,000,000 relief bill was passed, that this country was facing an emergency; and it has even been charged by different authorities that the condition of the unemployed and business in general in this country is worse now than it was some time back. Now, there would be little or no objection to restoring Federal salaries back to where they were if the country was again in a prosperous condition and this elusive state, known as "prosperity", was with us again. And let me say, in justice to a great number of our honest and conscientious Federal employees, that according to my observation they are not agitating this pay restoration; they are well satisfied to have a good Federal job; and all they ask is not to be disturbed, but to go their way in peace.

Whereas Congress has passed this salary-restoration bill in such a way that a finger cannot be placed upon any Member as to whether he voted for or against it, yet the results in dollars and cents will be just as effective. In addition thereto this action is opposed by President Roosevelt and will upset all the Budget estimates and provisions of our salary-appropriation bills.

I never have believed in cutting the lower-salaried employees; they are always the ones, like the veteran in this case, who have to bear the burden; and why the salaries had to be restored on the higher-paid jobs at this time, I cannot understand. Neither do I think it is justifiable when the

Federal relief emergency set-ups over the country are telling the unemployed and those on relief that from four to six dollars a week is sufficient for them to maintain themselves and their families, and even they, out of this small pittance, are required to pay all manner and form of sales taxes to meet the Government expenses.

We have many fine people who have devoted a good many years of their life in preparing themselves for the profession of school teaching, but due to the condition of the farmers and the business people of our country, we find many of them getting as low a salary as \$40 a month. If any Congressman should advertise throughout his district, or even let it be known, that he had a Federal job to fill paying as much as \$1,000, and that he would accept applications for the same at a certain time and place, the chances are he would be crushed by the crowd.

While it may be easy to pass such a bill in the atmosphere here in Washington, now under the control and subjection of the Federal office-holding aristocracy, I am wondering whether such action will meet the approval of our constituents back home.

RECONSTRUCTION FINANCE CORPORATION

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1175) to extend the functions of the Reconstruction Finance Corporation for 2 years, and for other purposes, with House amendments, insist upon the House amendments, and consent to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Alabama? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. STEAGALL, GOLDSBOROUGH, REILLY, HOLLISTER, and WOLCOTT. TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL, 1936

Mr. ARNOLD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 4442) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1936, and for other purposes.

Pending this motion, Mr. Speaker, may I suggest to the gentleman from New York [Mr. TABER] that I have quite a number of requests for time. I think general debate will take all day.

Mr. TABER. That will be all right.

Mr. ARNOLD. May I suggest that we permit general debate to run throughout the day without attempting to fix a definite time for closing general debate?

Mr. TABER. That is satisfactory.

Mr. ARNOLD. Mr. Speaker, I ask unanimous consent that general debate continue throughout the day without attempting to fix the time for closing general debate, the time to be equally divided, one-half to be controlled by the gentleman from New York and the other half by myself.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER. The question is upon the motion of the gentleman from Illinois.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 4442) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1936, and for other purposes, with Mr. BULWINKLE in the chair.

The Clerk read the title of the bill.

Mr. ARNOLD. Mr. Chairman, I yield 1 minute to the Delegate from Puerto Rico [Mr. IGLESIAS].

Mr. IGLESIAS. Mr. Chairman, today I received, unexpectedly, letters, together with a gavel, from the headquarters of the United States Regiment of Puerto Rico, which I was going to present to the Speaker today, but I will do that in his chambers.

I ask unanimous consent to extend my remarks in the RECORD and to include therein these letters.

Mr. KVALE. Mr. Chairman, reserving the right to object, so that the RECORD may be clear, should this request be made in the House or may it be made in the Committee?

The CHAIRMAN. Requests to insert extraneous matter in the RECORD should be made in the House and not in the Committee. The Chair suggests that the Delegate from Puerto Rico withhold his request until we go back into the House.

Mr. IGLESIAS. Then, Mr. Chairman, I withhold my unanimous-consent request.

Mr. ARNOLD. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. Young].

Mr. YOUNG. Mr. Chairman, statements appearing in today's newspapers lead me to take the floor and tell the facts. Quoting from a press release from John H. Fahey, Chairman of the H. O. L. C., Washington newspapers state:

The H. O. L. C. Chairman said a thorough check of loans revealed that approximately 99 percent of the home owners whose loans were held by closed financial institutions and exchanged for H. O. L. C. bonds were themselves in financial distress, "in default as to interest or principal."

I repudiate this assertion.

In Ohio I find that the majority of loans made to help liquidate banks were to mortgagors who were not in distress. The majority of these loans were to individuals whose payments of interest and taxes were not in default.

I know of a loan made through the Cleveland office of the Home Owners' Loan Corporation to an individual whose income is \$25,000 per year. Of course this loan was made to help liquidate a bank—the Union Trust Co.

I believe that the amendment adopted April 28, 1934, to the Home Owners' Loan Corporation Act should be eliminated and the distress of the individual should be made the sole test of eligibility.

Because of maladministration in Washington there is a wide-spread feeling among our distressed home owners that the Government has turned its back on them and is again favoring banks and other big interests who were, in a large degree, responsible for the condition from which these distressed home owners are suffering.

There is a feeling that the suspension of the functions of the Home Owners' Loan Corporation resulted largely from the act of bulk refunding of mortgages held by the banks and other large lending agencies, regardless of any distress of the mortgagor. This used an undue amount of the bonds of the Corporation, which was created solely to aid in preserving for the small home owner the shelter he secured through a long, hard struggle.

The Home Owners' Loan Corporation is one of the greatest pieces of national legislation ever enacted.

It would be a very critical mistake for the Government not to make the existence of the Home Owners' Loan Corporation permanent, or, at the very least, until all pending applications are closed, and it would be a calamity to terminate the work of this Government corporation until private lending agencies are ready to take over the work.

Last November, John H. Fahey, Chairman of the Federal Home Loan Bank Board, with his usual display of incompetence, stated that private lending agencies were able to take over the function of lending money to home owners of our country in distress. Practically everyone else in the country, with an intelligence equal to an eighth grader, knew then and knows now that private lending agencies and banks will not go ahead and are not ready to go ahead and make mortgage loans to home owners.

The Congress should immediately enact legislation providing for an increased authorization of \$2,000,000,000 in bonds for the use of the Home Owners' Loan Corporation.

Approximately 544,000 home owners in distress have applications on file with this Corporation, upon which no definite action has been taken. Certainly fully 400,000 of these applicants are worthy and entitled to the relief the Congress intended.

We in the Congress intended that the Home Owners' Loan Corporation should be the greatest humanitarian corpora-

tion in the world. Officials of the Federal Home Loan Bank Board, John H. Fahey, Chairman; T. D. Webb, Vice Chairman; William F. Stevenson, Fred W. Catlett, H. E. Hoagland, members of the Board, have been guilty of violating the intent and purpose of the Congress. I propose that the Congress investigate the Federal Home Loan Bank Board and its members, and if necessary that we impeach them and remove the whole crew of these arbitrary "high boys" and bureaucrats from office.

They have continuously and persistently acted in an arbitrary and high-handed manner, and shown a callousness and indifference to the public need and the public good comparable to that of the most cold-blooded and conscienceless private lending agency operated for profit only.

Great hope for the distressed home owners of the country was held out by President Roosevelt.

We in the Congress believed we had created a Government agency which would save homes to owners who were in distress. The Home Owners' Loan Corporation is the new-deal agency which comes closest to most of our people.

The Federal Home Loan Bank Board has adopted a cold-blooded and ruthless policy in dealing with distressed home owners. This Board by its tactics has caused the Home Owners' Loan Corporation to become the joker in the new deal.

As a matter of fact, the Home Owners' Loan Corporation, in its work, comes right into the homes of people; and a liberal policy, compatible with the intent of the Congress, must be adopted.

These bureaucrats in Washington have cluttered the work of this Corporation with red tape, and have adopted restrictive regulations, harassing distressed home owners, and denying relief in thousands of worthy cases.

During the past 6 months most of the good work of the preceding 12 months has been undone. A tangle of red tape and a multitude of conflicting restrictive regulations have caused a humanitarian corporation to become inhumane. The Federal Home Loan Bank Board, in Washington, and John H. Fahey, the Chairman, are to blame. The intent and will of Congress have been defeated. Thousands of distressed and deserving home owners whose applications have been needlessly delayed or denied look to us to remedy this indefensible and intolerable situation.

I am not interested in any proposed investigation of branch managers of the Home Owners' Loan Corporation or of any State manager. The "high boys" here in Washington are to blame. The incompetence, stupidity, arrogance, and maladministration of the Federal Home Loan Bank Board in Washington has resulted in the collapse of the Home Owners' Loan Corporation.

My investigation in Ohio shows that as of January 17, 1935, 77,277 loans were granted in the amount of approximately \$241,000,000. In the entire Nation as of January 17, 1935, there were approximately 750,000 loans closed in the amount of approximately \$2,250,000,000. This despite red tape from Washington, conflicting regulations, repeated reappraisals, and so forth, which during the past few months have brought the H. O. L. C. everywhere to a standstill.

In Ohio at this moment there are nearly 70,000 pending applications in addition to 39,500 which have been rejected. Many of these were improperly rejected under orders from bureaucrats in Washington. The State manager estimates that at present there are about 56,000 worthy and deserving applicants genuinely in distress who come within the meaning of the law. It will require approximately \$176,000,000 additional to provide loans to save their homes. I urge that we immediately authorize an additional bond issue of at least \$2,000,000,000 to provide relief for home owners in distress and to avoid discrimination.

Issuance of these bonds does not affect nor relate to the balancing of the Budget. These bonds are backed by the security of American homes. If the Corporation is properly managed, there will be no loss to the Government.

Chairman Fahey states that 30 percent of the H. O. L. C. mortgages are now in default as to payment of interest or on the principal. This is startling. It is largely due to stupidity

on the part of Chairman Fahey and his board. They require mortgagors to send payments to Washington.

The Federal Home Loan Bank Board adopted a most asinine policy in compelling mortgagors to remit payments of interest and on the principal to Washington. In view of this failure to establish local collection agencies, the wonder is that more than 30 percent of the mortgagors are not delinquent. Furthermore, this is unfair to mortgagors. Many do not have checking accounts. Many do not understand the mechanics of making remittances by mail. Furthermore, it is unfair to ask home owners to go to the expense of securing money orders and to send out letters.

Many who have remitted by mail direct to Washington to the Treasurer, Patrick J. Maloney, have failed to receive proper credit because they omitted to include the number of their loan; and an applicant for a home loan I know of, whose loan had not been granted, but who was erroneously billed, sent in a payment and has to date been unable to secure a refund of his money.

These officials have established regional offices to make collections and attend to the servicing of mortgagors. A regional office was established in Cincinnati, but such an office does not help facilitate payment of people living in Cleveland and elsewhere in Ohio.

The obvious and simple thing to do is to permit payments to be made to every branch office of the Home Owners' Loan Corporation and at every post office. Also new Federal savings and loan associations are being set up throughout the country. These are designed to take up the work where it is left by the H. O. L. C. The Federal savings and loan associations are made fiscal agents of the United States Government and these agencies could attend to the servicing of mortgages; payments could be made by mortgagors into these offices and proper credit given.

An example of the restrictive regulations promulgated by Washington bureaucrats was the regulation requiring applicants for home loans, in many instances, to furnish affidavits that they had tried every financial institution in the county—or, at least, three institutions—for a loan before resorting to the H. O. L. C. Such a requirement was not contemplated by us. The President said that any home owner in distress, threatened with foreclosure of his home through stress of circumstances beyond his control, should appeal to the Government, and relief could be furnished through the H. O. L. C. For the Federal Home Loan Bank Board to tighten up on loans as to practically deny relief was not contemplated by the President nor the Congress. There is no justification for the order that applicants must furnish certificates of good character and secure a responsible endorser to go upon the mortgage note.

A ruling was made by the Board at Washington that all borrowers over 60 years of age must furnish a guarantor. This is contrary to the spirit and letter of the Act creating the H. O. L. C.

Appraisals have been entirely too low. Too many applicants have been rejected on technicalities because of orders from the Federal Home Loan Bank Board at Washington. We in the Congress believed that officials administering this Act would appraise property liberally, giving consideration to the appreciation certain to come within the next few years, instead of taking present distress valuations.

There are about 1,000,000 home owners in Ohio. Probably 500,000 of these are in distress. The H. O. L. C. Act was to provide real relief in this emergency—not to give jobs in Washington to a bunch of hard-boiled administrators and bureaucrats.

The Home Owners' Loan Corporation blossomed forth as a great recovery agency to relieve distress. It must not be permitted to wilt because of maladministration in Washington. For a number of months home owners were compelled to pay money to this corporation upon making application for a loan. Then they would learn that their applications were rejected. Hundreds of my constituents, hard pressed financially as they are, have paid from \$10 to \$30 each to the Home Owners' Loan Corporation, and then have been re-

jected. It was unconscionable for this Government agency to compel home owners to pay for the privilege of having their applications rejected. I protested most vigorously against this outrageous practice. I am glad that because of protests made this regulation was rescinded. I have demanded that the corporation refund to rejected applicants the sums previously paid. I regret that up to the present time this restitution has not been made.

We should not remain silent while John H. Fahey, chairman, and other high boys in Washington are violating the spirit and intent of this act. The Morris Plan Bank scheme, whereby an applicant for a home loan must furnish an endorser to guarantee his loan, is in violation of the spirit of the Act. It should never have been adopted in the first place, and should be immediately discarded.

Under orders from Washington, appraisers unfamiliar with local property values have been sent in and have reduced appraisals which were none too liberal in the first place.

Too many worthy applicants have been rejected because of the fact that they were working only part time or were temporarily unemployed. They were rejected because they were said to be "poor credit risks." Others, regularly employed but in need of a loan, have had their applications rejected on the ground that they were "not in distress."

I urge that a sweeping investigation of the Federal Home Loan Bank Board and its members be made, and enactment of an authorization of a bond issue in the sum of \$2,000,000,000 additional in bonds for the Home Owners' Loan Corporation. This will be of far-reaching benefit and, in fact, the most constructive and helpful act that we, as representatives of the people, can take in their behalf. [Applause.]

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. YOUNG. I yield to the gentleman from Minnesota.

Mr. CHRISTIANSON. The gentleman stated that perhaps there were 400,000 applications that should be granted. Has the gentleman any knowledge of the amount of money involved in these applications?

Mr. YOUNG. Yes. The approximate amount is \$3,000 for each mortgage application.

Mr. CHRISTIANSON. Three thousand dollars for each mortgage. Four hundred thousand of them would be equivalent to \$1,200,000,000.

Mr. DARDEN. Will the gentleman yield?

Mr. YOUNG. I yield to the gentleman from Virginia.

Mr. DARDEN. Does the gentleman feel this agency should be extended indefinitely?

Mr. YOUNG. I feel that there should be a searching investigation, that the agency should be extended, perhaps not indefinitely, but at least until all worthy pending applications have been cared for.

Mr. ROBERTSON. Will the gentleman yield?

Mr. YOUNG. I yield to the gentleman from Virginia.

Mr. ROBERTSON. Does the gentleman from Ohio know what percentage of pending applications have been refused because of inadequacy of security?

Mr. YOUNG. About 450,000 pending applications, as I understand it, have been refused.

Mr. ROBERTSON. On account of inadequacy of security?

Mr. YOUNG. For some reason or other; many for inadequacy of security.

Mr. SWEENEY. Will the gentleman yield?

Mr. YOUNG. I yield to the gentleman from Ohio.

Mr. SWEENEY. Mr. Fahey has today written a letter to every Member of Congress stating that in the wholesale division, where approximately \$360,000,000 was loaned to that division, less than 1 percent had been lent to those who were not in distress. May I call the gentleman's attention to the fact that last week a committee of three of us called upon Mr. Fahey to discuss that situation with him, and he made the observation that 2 percent was the exact percentage of those cases that were in distress. With this information at hand, does the gentleman think we can rely on Mr. Fahey's word in reference to anything?

Mr. YOUNG. The gentleman and I are in accord and we know that the majority of the loans granted in our State to

liquidate big banking institutions were made to home owners who were not in any sense in distress.

[Here the gavel fell.]

Mr. ARNOLD. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. SUTPHIN].

Mr. SUTPHIN. Mr. Chairman, 16 months ago the President started a long-needed project in the form of a soil-erosion-control program. The object of this project is to curb destruction of the land. Equally important is the preservation of our coast line, which has been unprotected from storms and erosion. To illustrate the value of preservation of our coast and beaches, might I mention that New Jersey beaches alone, for 125 miles have a taxable valuation of \$4,000,000 a mile, and still every year the ocean is trimming down this golden band while a public is unaware of the loss, and administrations fail to undertake the simple preventive work necessary. From the figures which I have just quoted you can readily realize the tremendous loss suffered as a result of on-shore storms which swept the Atlantic seaboard from Florida to the outermost coasts of Newfoundland and Labrador during the past winter.

Conditions in New Jersey may be cited as typical of other coastal States, but I state facts from New Jersey because they are more familiar to me than the conditions of other seaboard States. Such surveys as are available indicate that since 1840 the shore line of the New Jersey ocean front has receded at an average rate estimated at 1½ feet per year. This is not uniform and is powerfully affected by the notably great changes that have taken place on some of the low-lying points adjoining some of the inlets. In a few sections the land area has tended to gain, but unquestionably with few exceptions the land areas tend to diminish under the influence of the sea forces. This applies just as truly to the entire belt of sandy beaches from Montauk to southern Florida as to the New Jersey frontage and also is no doubt true of areas on the Gulf and west coast. Subsidence or emergence may be in progress, but the rate of change is so slight as to escape detection upon comparison of present-day levels with those taken 25 or 30 years ago.

That losses are preventable has been amply and convincingly demonstrated by experience on the New Jersey coast. The recent storms wrought no damage on the frontages protected by the State-aid jetties, bulkheads, or sea walls. Outside the zones of these protective devices serious losses occurred. The line of demarcation between protected and unprotected areas is so sharp that no doubt could remain as to the effectiveness of standard defenses. The results of New Jersey's protective operations have been most gratifying and reassuring and have demonstrated that the cost of protection is much less than the cost of inertia and waste. The information I have received is that where one part of the coast is protected by jetties, bulkheads, or sea walls, erosion of adjacent areas is much more severe and therefore complete protection should be afforded for the entire coast line.

Are sea-front lands worth to the State and to the communities the cost of their protection. Applying the test of reasonableness, the answer must be emphatically in the affirmative. Certainly there can be no basis for protection entirely at public expense of barren wastes of slight value. The measure of the public's participation should be the public's interest. Economically the State cannot afford to view with indifference the losses of cities and boroughs which have been transmuted by private labor and capital from worthless sandy wastes into beautiful settlements that contribute by taxation to the support of the State. Attention is invited to the New Jersey coast, and this applies in large measure to all other States from New Hampshire to Florida. Certainly, if a shore hotel or a dwelling is engulfed by the sea, the resulting loss falls immediately on the unfortunate owner, but the entire loss is just as surely passed on to the community at large. Just so much of the wealth by which the municipal government is supported has by this calamity been lost. The community as well as the individual owner is that much poorer. The other property owners of that particular political subdivision must make up the loss by assuming a corre-

spondingly increased burden. The destruction of a public highway by the sea is immediately recognized as a public loss measurable in financial terms because the road must be restored at a cost which is definitely shown in the State or county or municipal financial statement. The cost of maintenance or repairs is levied upon all the property owners, who must as a consequence be subjected to heavier taxation or else dispense with other public services. The destruction of the road is reflected as a direct loss to the community, while the destruction of the dwelling operates as an indirect loss, but the result to the common fund may be approximately the same.

Millions of dollars have been expended by my State in initiation and carrying on the construction work, but this work was of a pioneer nature and little was known regarding the art of protecting the coastline against the littoral drift of sands as well as the pounding of the waves. However, today the situation is different. The structures erected by the State have proven their value and have demonstrated that engineering science has progressed to a point where it can now cope successfully with wave action as well as with the drifting of the sand. New Jersey and other coast States have spent millions of dollars creating highways which have in turn made the beaches accessible to the automobile user, and this in turn has brought great numbers of people from practically every State in the Union to the shore fronts to enjoy the beaches. Because of the use of the beaches by the large numbers of people from other States, the States should feel that they have the right to ask for Federal funds at this time to undertake to build these jetties and bulkheads which will further protect and stabilize the coastline.

In presenting this matter, I am aware that there are sections of the country other than New Jersey, both on the Atlantic and Pacific coasts, as well as the Gulf and Great Lakes, which are entitled to Federal aid because they, too, have an erosion problem to meet and they, too, serve to a great extent communities other than those immediately adjacent to the shore line. Therefore I wish to emphasize the fact that the problem of beach erosion is a national problem. In recognition of this fact, we in Congress created the United States Beach Erosion Board, which functions under the direction of the Secretary of War. The Chief of Engineers and the United States Beach Erosion Board in their studies concur in my statements, I am sure, and I believe you would find upon inquiry that they also concur in my opinion that there is justification for the expenditure of at least \$5,000,000 for the erection of jetties and bulkheads for the State of New Jersey and like sums for other coastal States, under the provisions of the National Industrial Recovery Act, section 202, clause (b).

Unemployment relief is another phase of vital importance in this matter. Contractors and plants are available for the suggested coastal-erosion program. The work could be undertaken within 60 to 90 days should such a project be approved and could be carried on throughout the year, save for interruptions by severe storms. It could be broken up into units, each of which could be completed in 6 to 9 months. The requisite material, principally riprap and steel sheet piling could be readily procured on short notice. It is estimated that the work in my State alone would provide direct employment on actual construction to the extent of from 4,000,000 man-hours to 8,650,000 man-hours. Indirect employment—to rock quarries, steel mills, transportation agencies, and so forth—would probably amount to several million additional man-hours. I might add that the moneys that will go into material for the structures would affect industries located in other States, so that the benefits accruing from the money spent for employment directly and indirectly would be wide-spread. It has also been estimated that such a project as is proposed herein would yield to labor, direct and indirect, approximately 76 percent of the total cost. The various transportation agencies, such as the railroads, waterways, and highways, play a very important part in operations of this nature, and the yield to these agencies is very considerable. It is necessary to stress these facts because agreement is general that the one element most lack-

ing in industry and commerce today is the low rate of consumption of the heavy, durable goods, such as those that would be utilized in constructions of this nature, and in the unsatisfactory activity of the transportation lines.

All the construction materials to be used in coast-protection works would be new. They would be gathered and assembled from the forests, which yield the piling and the lumber; the mines, which supply the ore for the wrought-iron, steel, zinc, copper, and other metals; and the quarries, from which would be extracted the rock for revetment and the aggregate for cement and concrete. As these raw materials would be severed from the soil, the transportation agencies would immediately become active, carrying the raw materials to the sawmills, to the timber-treatment plants, to the forges and rolling mills, the rock crushers, sand graders and washers, and to the other plants engaged in the various refining operations. These movements of the materials would be resumed after manufacturing and treatment in bringing the finished materials to the sites of the work. At these points on the beaches would begin the labor on the ground, such as the transportation from the railroad to the construction site, and then the incorporation of the units of construction into the finished work. The numerous operations of rehandling and manufacturing, beginning with the very first operation of severance of the raw materials from the ground, coupled with the clerical and accounting activities involved in their tracing and expediting to the ultimate destination, constitute very important labor items; and, finally, perhaps 35 percent of the gross cost of the work would be represented by the construction labor immediately on the ground, including its inspection, supervision, and other overhead items. A project of this type would leave its benefits over long trails, beginning in the Southern and Pacific coast forests, the inland mines, continuing through the various plants for refining and shaping raw products into finished materials, involving all the way the transportation agencies and ultimately reaching the laborers, mechanics, and supervisory forces on the seaboard.

May I repeat this fact: That the plans and specifications are ready so that contracts could actually be let for a large volume of work within 30 days and continuing so that the entire project could be placed in operation within 90 days.

Mr. Chairman and colleagues, this matter is vitally important to each and every one of us, and I urge your cooperation and attention to protection of our coastlines and the benefits to be reaped from such a program by the entire Nation, not only in the immediate future but in the distant future. It is a matter to be acted upon now before greater loss of lives and properties is suffered. [Applause.]

Mr. TABER. Mr. Chairman, I yield 30 minutes to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. Mr. Chairman, it has been the custom of the House when sitting in the Committee of the Whole and indulging in general debate on appropriation bills to permit Members to discuss subjects which have no relation to the bill before the Committee. I am going to take advantage of that custom this afternoon and discuss a matter which, while it has no bearing on the Post Office or Treasury Departments appropriation bill, is, I am convinced, of very considerable importance. I do so in the hope that the Members present may be willing to give serious consideration to the problem.

I refer to the methods of amending the Constitution of the United States. As is well known, the Congress may submit a proposed amendment to the Federal Constitution either to the State legislatures or to conventions of the people within the several States for their action. On ratification by either the legislatures or conventions of the people in three-fourths of the States the amendment then becomes part of the Constitution itself.

The original Constitution drawn at the Philadelphia Convention in 1787 was submitted to conventions of the people for ratification, these conventions being called in the then 13 States of the confederacy, and upon ratification by 9 of them it became the Constitution of the United States. Since the original Constitution was ratified, 20 amendments have

been adopted. Nineteen of them have been submitted and ratified by legislatures, and one of them—the twentieth amendment, providing for repeal of the eighteenth amendment—was submitted to conventions of the people in the several States and ratified in that manner. The 20 amendments, however, which have been from time to time submitted by the Congress and ratified by the States, either through their legislatures or more recently by conventions of the people, are not the only amendments which have been submitted, and I want to call attention to an anomalous condition which I think cries for correction and which I think can be corrected.

Possibly quite a number of you are aware of the fact, and possibly even a greater number are not aware of the fact, that there are today pending before the States of the Union five proposed amendments to the Constitution of the United States. Two of them date back to 1789. In this connection, perhaps, you will permit me to state a historical fact which may be of interest.

When the original Constitution was ratified, the ratification was accomplished in spite of very severe and persistent objection on the part of a very large segment of the American people, who feared an overconcentration of power at the seat of Federal Government. I wonder what they would think if they were living today. But in any event that was the thought uppermost in the minds of the people at that time when they came to consider the Constitution drawn at the Convention at Philadelphia and submitted in 1789.

In effect they compelled the leading men of the country to enter into a gentlemen's agreement, as it were, that, if they ratified the Constitution, the first Congress to meet under its terms and provisions in 1790 should immediately propose a series of amendments designed to safeguard the individual citizen in the possession of his liberty, to guarantee his freedom from oppression from the Central Government, and also to guarantee the rights of the States to maintain and exercise those functions not delegated to the Federal Government in the Constitution itself, with the result that in 1790 and 1791 the first 10 amendments were submitted. They have been known, collectively, ever since as the "Bill of Rights." Indeed, they were submitted and ratified so promptly that they have been considered, in effect, a part of the original instrument.

It is interesting to note, however, that when the Congress in 1790 or 1791 sought to carry out this gentlemen's agreement they actually submitted 12 amendments to the Constitution, not merely 10 amendments. Nos. 1 and 2 of that list were never ratified by the requisite number of States. Nos. 3 to 12, inclusive, were ratified.

May I remind you that the ratifications were accomplished by legislatures. Those first two amendments have been pending ever since, for may I call your attention to the fact that once an amendment to the Constitution is submitted to the States to be acted upon either by the State legislatures or by conventions of the people in the States, it remains pending and has life until and unless it is ratified, and in that event, of course, it becomes a part of the Constitution.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield there?

Mr. WADSWORTH. I yield.

Mr. O'CONNOR. Unless, also, there is a limitation, which we have been putting in such resolutions in recent years, where the limitation has been 7 years.

Mr. WADSWORTH. A 7-year limitation was placed in respect of the eighteenth amendment.

Mr. O'CONNOR. Was there not some amendment before that time which had the same provision?

Mr. WADSWORTH. I am not aware of it.

Mr. O'CONNOR. I think the suffrage amendment had a 7-year limitation.

Mr. WADSWORTH. I am not aware of it, if it did; but in any event, it has not been the custom to do so, and, at best, it is a scattershot way of doing it, and I think we should evolve a policy which will achieve something like a

prompt and current decision upon an amendment proposed to the Constitution.

The members of the committee here present may be interested to know what these first two amendments, which are still pending, provide.

The first one reads:

After the first enumeration required by the first article of the Constitution there shall be one Representative for every 30,000 until the number shall amount to 100, after which the proportion shall be so regulated by Congress that there shall be not less than 100 Representatives, not less than 1 Representative for every 40,000 persons, until the number of Representatives shall amount to 200, after which the proportion shall be so regulated by Congress that there shall not be less than 200 Representatives nor more than 1 Representative for every 50,000 persons.

Of course, I am not endeavoring to frighten the members of the committee into the belief that this amendment will be picked up and ratified by three-fourths of the States. [Laughter.]

Mr. ARNOLD. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. ARNOLD. Is there any way to call in these amendments that have been floating around for so many years?

Mr. WADSWORTH. There is not. I am coming to that.

At that time 11 States were necessary for ratification, and the amendment which I have just read was ratified by New Jersey, Maryland, North Carolina, South Carolina, New Hampshire, New York, Rhode Island, Virginia, Pennsylvania, and Vermont—10 in number. It just missed ratification. It was rejected by Delaware, and no action was taken in Massachusetts, Connecticut, or Georgia.

The second one, which was submitted at the same time, September 3, 1789, read—and this may be interesting to the modern Members of Congress; it is still pending and can be taken up at any time:

No law varying the compensation for the services of the Senators and Representatives shall take effect until an election of Representatives shall have intervened.

I do not propose to throw a scare into the Members of the House or of the other body to the effect that perhaps this amendment may be revived at any time and our privilege of changing our salaries to take effect April 1, next, taken away from us, but it is pending.

Necessary for ratification at that time were 11 States. This amendment was ratified by Maryland, North Carolina, South Carolina, Delaware, Vermont, and Virginia, six of them. It was rejected by the far-seeing patriots of New Jersey, New Hampshire, Pennsylvania, New York, and Rhode Island. No action was taken by Massachusetts, Connecticut, and Georgia.

Then in 1810 another amendment was submitted to the legislatures of the States. It reads as follows:

If any citizen of the United States shall accept, claim, receive, or retain any title of nobility or honor, or shall, without the consent of Congress, accept and retain any present, pension, office, or emolument of any kind whatever from any emperor, king, prince, or foreign power, such person shall cease to be a citizen of the United States, and shall be incapable of holding any office of trust or profit under them, or either of them.

This was submitted, apparently, at the time when there was a good deal of excitement in the young America at the immense prestige of the Napoleonic era in France and in Europe; at a time when there was a good deal of division of sympathy or opinion in this country as between the dramatic achievements and standing of Napoleon the Great, and the belief on the other side that he was a menace.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. O'CONNOR. I find that the eighteenth, or the prohibition amendment, the twentieth amendment, the "lame-duck" amendment, and the twenty-first amendment, repealing the eighteenth amendment, all had a 7-year limitation.

Mr. WADSWORTH. I stand corrected on the 7-year limitation, and I stand corrected also to an important degree when I said only 20 amendments had been ratified. There have been 21, but all but 1 of them have gone to legislatures rather than to conventions of the people. I thank the gentleman from New York for his correction.

A very extraordinary amendment was submitted on March 2, 1861. If my knowledge of the calendar is correct, that was 2 days before the inauguration of Abraham Lincoln.

Looking back now, it presents a curious spectacle. It reads:

No amendment shall be made to the Constitution which will authorize or give to Congress the power to abolish or interfere, within any State, with the domestic institutions thereof, including that of persons held to labor or service by the law of said State.

In other words, 2 days before Abraham Lincoln was inaugurated as President of the United States the Congress submitted to the States of the Union an amendment proposing to make it impossible for it to interfere with the institution of slavery within a State whose laws permitted the existence of the institution.

Mr. BLANTON. Will the gentleman yield?

Mr. WADSWORTH. Just one minute, until I finish this statement. It is interesting to note that the State of Ohio ratified the amendment through its legislature. Also the State of Maryland ratified it, and in the State of Illinois there happened to be a convention in session called for a local or State purpose, and that convention seized the opportunity and passed a resolution of ratification of that pro-slavery amendment. Of course, their action would have been held illegal, because the amendment had been submitted to the legislatures of the States.

At that time 25 States were necessary for ratification. Two of them, Ohio and Maryland, ratified it, Illinois pretended to ratify it, and no action was taken by 30 States.

As a matter of fact, within 6 weeks of the submission of this amendment by Congress to the States, Sumter was fired upon, and that great issue was settled in another way. That amendment, while technically still pending, is so completely inconsistent with the now-settled policy of the Republic that we may pay no attention to it. I do suggest to those thoughtfully inclined that the existence of these four amendments, still unsettled, does present to us a condition which, to say the least, is sloppy.

Mr. BLANTON. Now will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. BLANTON. I want to call the attention of the gentleman from New York to the fact that the last-mentioned proposed amendment, submitted on March 2, 1861, as well as the others, had to have a two-thirds majority of both the House and the Senate of the United States.

Mr. WADSWORTH. That is true.

Mr. BLANTON. So that indicates that 2 days before the inauguration of Abraham Lincoln that was the sentiment of Congress, expressed by a two-thirds majority of both Houses.

Mr. WADSWORTH. Certainly; I am not criticizing the Congresses of the past, nor am I discussing the merits of these amendments. I am calling your attention to the fact that they are still pending and that we should reach some system by which we can get a prompt decision on amendments submitted in the future.

Mr. SHANNON. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I do.

Mr. SHANNON. Was the last amendment to which the gentleman referred known as the "Crittenden compromise"?

Mr. WADSWORTH. It was known as the "Corwin amendment."

Mr. SHANNON. Was it not a part of the Crittenden compromise?

Mr. WADSWORTH. I do not know.

Mr. WOODRUFF. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. Yes.

Mr. WOODRUFF. The gentleman has stated that had this amendment been ratified it would have been forever impossible for the Federal Government to take any action that would have eliminated slavery from the United States. Of course the gentleman does not mean that. Theoretically that would have been the case. He means that had it been ratified it would have required three-fourths of all of the

States to repeal that amendment, and that in all probability would have been physically impossible.

Mr. WADSWORTH. Physically or politically. But I beg Members to believe me when I say that I am not discussing the merits of these amendments.

The fifth amendment, which is still pending, is the famous child-labor amendment. That amendment was submitted to the States to be acted upon by their legislatures on June 3, 1924. That is more than 10½ years. I was a Member of another body at that time and took some part in the discussion of the subject when the resolution was before the Congress. Merely to remind you of the language of that amendment, which is still pending after 10½ years, I shall read it to you:

The Congress shall have power to limit, regulate, and prohibit the labor of persons under 18 years of age. The power of the several States is unimpaired by this article, except that operation of State laws shall be suspended to the extent necessary to give effect to legislation enacted by Congress.

I am not upon this occasion going to discuss the merits of the child-labor amendment. I have done it many times in other places, but I call your attention to what has been going on during these 10½ years. During this period 24 State legislatures have rejected the child-labor amendment. That is one-half of all the legislatures. That is far in excess of the more than one-fourth which otherwise, had all voted at the same time, would have secured rejection. Twenty-four States at one time or another through their legislatures have rejected the child-labor amendment. I shall read the list: Connecticut, Delaware, Florida, Georgia, Indiana, Kansas, Kentucky, Maine, Maryland, Massachusetts, Minnesota, Missouri, New Hampshire, North Carolina, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, and West Virginia. However, in this same period several of those States have changed their votes, so that while early in the period only 5 States ratified, namely, Arizona, Arkansas, California, Montana, and Wisconsin, that number has been increased to 20, and as I read the morning papers there is a possibility of 2 more, inasmuch as in those States one house of the legislature ratified the child-labor amendment yesterday or the day before—Wyoming and Nevada.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. Yes.

Mr. CELLER. If a State votes in the affirmative, it is forever bound, while if it votes in the negative, it can change its mind.

Mr. WADSWORTH. Yes; and here is the anomalous situation: A State may reject a proposed amendment and later on, 10 years afterward, may change its vote and ratify it. When once a State has ratified, however, it may not change its mind and reject. Once a State has ratified, it can take no further action. That is the situation that accounts for these amendments hanging fire year after year down through the generations.

Mr. MANSFIELD. There is no limitation of time.

Mr. WADSWORTH. There is no limitation of time prescribed by Federal statute or by the Constitution. As the gentleman from New York [Mr. O'CONNOR] has reminded us, in three instances the Congress, anxious to get a reasonably prompt decision, has inserted in the resolution of submission a time limit of 7 years; but there is no standard way provided for achieving a prompt decision. This child-labor amendment can be kicked around and made a political football for a generation or two to come. There is no way by which the Congress can recall the child-labor amendment from the States to resubmit it in a changed form or not to submit it at all. Even if 47 States rejected it, it still would have life, because those same 47, or the requisite number of them, may later on change their minds and begin to ratify.

Mr. CELLER. Of course the Supreme Court has had nothing to say on the subject, but if so long a time elapsed before a sufficient number did ratify, I hardly think the Supreme Court would deem that a proper amendment to the Constitution.

Mr. WADSWORTH. I do not know what rule the Supreme Court would resort to as to what is a reasonable time. The Supreme Court, I think, has said in connection with the eighteenth amendment that the action of Congress in prescribing 7 years was reasonable. It is with considerable hesitancy that a livestock layman such as myself rises here to discuss a decision of the Supreme Court.

The Supreme Court did not say that 10 years would be unreasonable, and it did not say that 3 years would be unreasonable. It laid down no rule, no yardstick, but merely passed on that one act of Congress, in saying the eighteenth amendment must be ratified in 7 years or not at all.

Mr. O'CONNOR. Will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. O'CONNOR. The gentleman will note that after submitting the eighteenth amendment with the 7-year limitation in it we submitted the nineteenth amendment without any limitation.

Mr. WADSWORTH. We did.

Mr. O'CONNOR. I call the gentleman's attention to the fact, I think, growing out of the situation with reference to the adoption of the eighteenth amendment, that some years ago one of our most distinguished leaders on at least one or perhaps two occasions made a speech on the subject. I refer to Hon. Finis J. Garrett, of Tennessee, who went into the question of this very subject of leaving it outstanding, and also changing its mind.

Mr. WADSWORTH. Yes. As a matter of fact, if I may recall it to the memory of the gentleman from New York, a constitutional amendment was introduced in 1924 or 1925 by myself in another body and by Mr. Garrett in this body, and was known under our names jointly.

The Chairman informs me I have only 3½ minutes remaining. May I continue the statement? Perhaps I can secure an extension of time, if the House feels like it.

So, Mr. Chairman, I think we have to admit that there is a crying need for some standardization; not for any bringing of pressure or dictation by Congress as against a State or its people, but in some fashion the Congress might well regulate the matter so as to achieve prompt decision on these extraordinarily important questions.

Mr. MANSFIELD. Can that be made effective on those amendments that have already been submitted?

Mr. WADSWORTH. It cannot. I may say that I believe it is quite impossible for us to take any action which will be retroactive. We cannot do anything if we wanted to about the child-labor amendment. It has been submitted by the Congress to the States. There is no machinery under the Constitution for its withdrawal from the States by the Congress. Nothing we can do in the way of amending the Constitution or of enacting a statute can, in my judgment, affect the status of the child-labor amendment. So I beg of you to believe me when I say that the proposals which I have incorporated in my bill are not in any way directed against the child-labor amendment, although, to be perfectly frank, I have always opposed that amendment. Nothing can be done about that. We must cast our vision toward the future and see if we can prevent a repetition of these errors.

Mr. BLANTON. Will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. BLANTON. And notwithstanding the fact that 10½ years have passed and that the State of Texas has refused to ratify, that child-labor amendment is a live issue right now before our State legislature in Texas, and we are receiving letters and telegrams on both sides of the question from people all over our State. After so many years we ought to find some lawful way to annul that submission.

Mr. WADSWORTH. May I include in my remarks some information with respect to the record of the States on this child-labor amendment? In addition to the 24 States which at one time or another have rejected—and, of course, within that period of some of them have changed their minds and ratified—the amendment has been rejected by one house of the legislature in Idaho, Louisiana, Michigan, Nebraska,

North Dakota, Ohio, Oklahoma, Oregon, and Wyoming—9 States; 9 more in which one house has rejected. If one house rejects, the other house of the legislature is powerless to ratify.

The CHAIRMAN. The time of the gentleman from New York [Mr. WADSWORTH] has expired.

Mr. TABER. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. WADSWORTH. Also, in the Legislature of Colorado and in the Legislature of Iowa consideration of the child-labor amendment was indefinitely postponed; and no action up to the time I had these figures given to me had been taken by Alabama, Illinois, Mississippi, New Jersey, New York, and Rhode Island. I might say that on yesterday or the day before the judiciary committee of the New York State Senate refused to report the child-labor amendment to the State senate. So it would seem to be in difficulties in the New York Legislature, judging from this distance.

I now yield to the gentleman from Missouri.

Mr. COCHRAN. Does not the gentleman feel that if any legislation is submitted to the Congress along the line he suggests, it should contain a provision that before the legislature of a State can pass upon a constitutional amendment, an election must intervene? In other words, we submitted the eighteenth amendment to the States in December. The representatives of the people had been elected in November, and the question of ratifying a constitutional amendment was not an issue; but nevertheless the legislature of my State, which had previously, by direct vote of the people, overwhelmingly decided against prohibition, very promptly ratified the eighteenth amendment. If we had an election intervening, that might not have been the case.

Mr. WADSWORTH. Now, may I make one observation in answer to the gentleman's question? If I had my way about it—and I have gone along without having my way oftentimes—I would have the normal method of submission to conventions of the people in the several States and not to the legislatures. Of course, Congress may select either method. No law of ours can take away from the Congress of the future the right to choose between submission to the legislatures and submission to conventions of the people.

I believe the men who wrote the Constitution at Philadelphia in 1787 believed that that was the method which the Congresses of the future would employ. In fact, they employed this submission to conventions of the people when they submitted the original Constitution. If you will read some of the debates and writings of the men who took part in that convention you will gather the impression that they believed the Congresses of the future would employ submission to conventions of the people of all amendments which would affect the liberties of the people or the rights of a State, that the people themselves, acting through their delegates, duly elected to conventions, were the element which should pass upon any proposal which invited the people to surrender any of their liberty to the Federal Government or to surrender any of the rights or functions of the States to the Federal Government. These same authors indicated their belief that in the event of amendments being proposed in the future which did nothing more than change some of the machinery of government—for example, like the Norris amendment, which merely changed the convening date of the newly elected Congress and changed the date of the inauguration of a newly elected President—that quite probably such an amendment would be submitted to the legislatures. But the Congresses immediately after 1789 adopted the legislature as the sole repository for the consideration of those 21 questions, with one exception; and it was not until the prohibition question had become so acute, so alive, and incidentally so fundamental as a matter of constitutional law that, in response to an overwhelming demand arising from all over the country, the Congress finally consented to submit that amendment to conventions of the people. It was done in that case. I believe this should be the normal method for considering amendments to the Constitution whenever the amendments invite the people of the

Nation to surrender any measure of their liberty to Washington or invite the States of the Union to surrender any more of their functions to Washington.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. LUDLOW. The gentleman is giving a most interesting and scholarly discussion of a very important matter. I should like his opinion on this point: Is it the gentleman's opinion that the only way to nullify and deprive of vitality these pending amendments which, as the gentleman from Illinois [Mr. ARNOLD] says, are "floating around in the air" is through another constitutional amendment directed to that one particular object?

Mr. WADSWORTH. No; I think we can do nothing to repair the damage, if we may call it such, of the past; but for the future, I think we can prevent damage.

Mr. LUDLOW. There is, however, nothing in the Constitution to prevent such a proposed corrective amendment to the Constitution being submitted to the States in the manner provided by the Constitution.

Mr. WADSWORTH. I think we need not resort to a further constitutional amendment, and I hope to have time to discuss a proposal I have to make.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. RANKIN. The point the gentleman from New York has just made is probably the most important question that has been before the House in a long while. The gentleman called attention to the fact that under the present system where the legislature of a State has voted to ratify an amendment that it cannot be recalled.

Mr. WADSWORTH. That is right.

Mr. RANKIN. That precedent was set by the Congress when they were ramming through the fourteenth and fifteenth amendments. That is how this illogical precedent was established.

Does not the gentleman from New York think there ought to be written into the law a provision that the legislature of any State should have the right to revoke its approval of an amendment before the amendment becomes effective? For instance, if a State legislature ratifies an amendment to the Constitution which the people of the State do not want and the people rise up and repudiate it, the next legislature cannot revoke the action of the preceding legislature.

Mr. WADSWORTH. May I continue for a little while? I think I will cover the point the gentleman raises.

Mr. RANKIN. I wish the gentleman would cover it.

Mr. WADSWORTH. Again, it is with a great deal of hesitancy that I flourish a decision of the Supreme Court with respect to what actually happens—and I am using the language of the layman now—when a legislature—and, of course, the same would apply to a convention of the people of the State—is acting upon a proposed amendment. We will turn back a moment to the eighteenth amendment. It was submitted by the Congress to the legislatures of the States. At that time the State of Ohio had, and probably it still has, a provision in its State constitution providing for the initiative and referendum. It applied to acts of the Ohio Legislature. That initiative and referendum was embodied in the constitution of the State; and, in so many words, it specifically applied not only to all ordinary acts of the Ohio State Legislature but also to the action of the Ohio State Legislature ratifying a proposed amendment to the Federal Constitution.

The Ohio State Legislature ratified the eighteenth amendment. Promptly there was initiated a popular petition under the provisions of the State constitution to give the people a chance to review the action of their own legislature in ratifying a Federal amendment.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 5 additional minutes to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. The petition secured the requisite number of signers. A State-wide referendum was held, and the people of Ohio rejected the action of their own legislature

in ratifying the eighteenth amendment. Most of the country believed that this constituted rejection in the State of Ohio, but the Supreme Court held otherwise. This case, as it reached the Supreme Court, was entitled "*Hawks v. Smith, Secretary of State of Ohio*", and it is to be found in Two Hundred and Fifty-third United States Reports, page 221. I shall not read the decision, but in the headnotes of the decision, which, I assume, constitute a fairly reliable summary of what the decision actually was, we find this language:

The function of the State legislature in ratifying a proposed amendment to the Federal Constitution, like the function of Congress in presenting such amendment, is a Federal function derived not from the people of that State but from the Constitution (of the United States).

And the Supreme Court upheld the ratification by the Ohio Legislature, the Court holding that neither the law of the State nor the constitution of the State may stand in the path of ratification in accordance with the provisions of article V of the Constitution of the United States, which authorizes ratification by legislatures if the Congress submits the matter to the legislatures.

In other words—and I think I am not drawing a deduction too far-fetched—the legislature, when it acts upon a Federal amendment, is acting as a Federal agency and performing a purely Federal function, having nothing to do with the laws of the States and unbound by the laws of the State, as was decided in Ohio.

A similar situation arose in Tennessee. The woman's suffrage amendment was submitted to the State of Tennessee. The constitution of Tennessee contained a provision to the effect that the Legislature of Tennessee was forbidden to act upon a proposed amendment to the Federal Constitution unless its members had been elected subsequent to the submission of that amendment. The Governor of Tennessee called a special session of the then existing legislature, and it was ratified by the legislature contrary to the constitution of the State, because the members of the legislature had not been elected subsequent to submission. The Supreme Court upheld the validity of the ratification by Tennessee. The constitution of Tennessee, nor of any other State, may interfere with the performance of this Federal function. That being the case, my contention is that the Congress may regulate the performance of this Federal function.

My proposal is contained in a bill, no. 2900, which in its first section is merely declaratory and cannot be binding on future Congresses. The first section provides that every amendment hereafter proposed to the Constitution shall be submitted for ratification by conventions in the several States unless specifically provided otherwise in the resolution of proposal.

Of course, we have to put in that language in order to make it clear that we are not endeavoring to interfere with the discretion of future Congresses. As I stated, the first section is merely declaratory to endeavor to establish the custom of submitting to conventions rather than to legislatures.

Mr. Chairman, I contend that the Congress has the right to say how these conventions shall be composed and when they shall meet in the regulation and performance of the strictly Federal function. Without Federal regulation, there can be no regulation. There is no law on the subject in the whole of the Federal Union. The bill provides that the delegates to each State convention shall be elected at large; that they shall be elected at the general election next following the submission of the amendment; that the conventions shall meet on the twenty-eighth day following the election; that a majority of all the delegates in each State convention shall be necessary for a decision; that notice of the decision shall be forwarded immediately to the Secretary of State at Washington, who shall announce the decision of the States at once. Furthermore, the bill provides that if more than one-fourth of the States reject an amendment, then that amendment shall be ineligible for further consideration; in other words, dead; and that a State which has definitely rati-

fied or rejected an amendment may not thereafter change its vote. Thus, the bill proposes that the States act in a uniform manner, within a reasonable time, and reach a final determination. Surely this is not asking too much. At any rate, I submit the proposal to the House, confident that the Members will give it that consideration which the nature of the problem demands.

[Here the gavel fell.]

Mr. ARNOLD. Mr. Chairman, I yield 6 minutes to the gentleman from Indiana [Mr. LUDLOW].

Mr. LUDLOW. Mr. Chairman, we are about to witness in this country a most singular phenomenon, which, as far as my observation and reading of the events of the past furnish information, is without a parallel in American history. Tonight all over the land the people will meet in their respective cities, towns, and hamlets, even in the most remote places and far-away corners, wherever the Stars and Stripes fly over American soil, to celebrate the birthday of President Roosevelt and to show by a thousand forms of expression their love for the man who has tried to do so much for humanity in the dark hours of the world's greatest depression. I believe I am entirely correct when I say that never before, not even in the days of Washington, was there such an overflow of the Nation's affection for the man in the White House.

The city of Indianapolis, the capital of the great State of Indiana, which I have the honor to represent in this Chamber, will have its proud part in this Nation-wide commemoration. The Hoosiers are a sentimental people who never fail in their appreciation of the great men and women, living and dead, who have wrought major service for the human race; and nowhere tonight will the Roosevelt birthday celebration be carried on with greater spirit or more genuine jubilation than in our beloved city and State. There will be, in fact, five monster celebrations and balls in Indianapolis; and all of our citizenry, Democrats and Republicans and adherents of all political beliefs, will join in this demonstration for a President who has the regard of all men. At the head of the celebration and in charge of it is a distinguished Republican of our city, Wallace O. Lee. It was our hope and expectation that we might have as our guest and speaker at the Indianapolis celebration tonight Vice President Garner, but public duties held him here. However, he has sent a letter to be read at Indianapolis, and I think it is altogether meet and proper, in order that this document may be made a part of the CONGRESSIONAL RECORD of the President's birthday, that I should read to the House the tribute of the Vice President to the President. It is as follows:

VICE PRESIDENT'S CHAMBER,
Washington, D. C., January 26, 1935.

MR. WALLACE O. LEE,
Indianapolis, Ind.

DEAR MR. LEE: My friend LOUIS LUDLOW has told me of the elaborate arrangements that are being made to celebrate President Roosevelt's birthday at Indianapolis next Wednesday evening and has extended to me your invitation to be the special guest of your city on that occasion.

To me it is an inspiring thought that all over the country, in numberless celebrations of this character, our fellow citizens will assemble on that anniversary occasion to pay enthusiastic tribute to the great President in the White House, and it is a striking testimonial to the genuineness, nonpartisanship, and all-inclusiveness of this Nation-wide demonstration that you, an outstanding member of the opposition party, should be chosen to head this movement in the city of Indianapolis.

No President since Washington has been held in greater reverence by the American people than Franklin D. Roosevelt, and justly so. When impartial history is written, recording the conditions that confronted him when he became President and his epochal achievements, he will be given a place along with the outstanding commoners of all time, whose lives were consecrated to the service of their fellow men.

I deeply regret that my official duties will not permit me to leave Washington at this time, and I thank you for your kind invitation to be the guest of the city of Indianapolis in the Nation-wide demonstration in honor of our President.

Very sincerely yours,

JOHN N. GARNER.

Mr. ARNOLD. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. PATMAN].

ADJUSTED-SERVICE CERTIFICATES

Mr. PATMAN. Mr. Chairman, a great deal has been said in the newspapers about what the American Legion national convention at Miami had in mind when it passed the resolution endorsing the full and immediate cash payment of the adjusted-service certificates.

I hold in my hand a printed copy of the proceedings of this convention. On page 52 there is included the resolution on immediate payment of the adjusted-service certificates. The first paragraph is as follows:

Whereas the immediate cash payment of the adjusted-service certificates will increase tremendously the purchasing power of millions of the consuming public—

And so forth. The next paragraph reads as follows:

Whereas the payment of such certificates will not create any additional debt, but will discharge and retire an acknowledged contract obligation of the Government: Now, therefore, be it resolved that the American Legion recommends the full and immediate cash payment—

And so forth.

THE ISSUE BEFORE COUNTRY AND CONGRESS

I made the statement a few days ago that the bill sponsored by the American Legion to carry out this provision is not in accord with the resolution adopted. For 6 years a campaign has been waged in this Nation for the payment of these certificates on the theory, first, that there will be no additional debt created; that there will be no additional taxes raised and there will be no additional tax-exempt interest-bearing bonds issued to pay this debt. That is the campaign that has been waged before the American people for 6 years, and that is the question before the people. Members of Congress have been elected on that one issue. Members of the United States Senate have been elected pledged to support that proposition.

May I say now that I shall in no way reflect upon the gentleman who is the author of that bill, the gentleman from Kentucky [Mr. VINSON]. He is an able and distinguished Member of this House. His motives and intentions are the best. This is not a personal matter with me and I shall not at any time indulge in personalities in the discussion of this subject.

Mr. COX. Will the gentleman yield?

MIAMI RESOLUTION REFERS TO H. R. 1

Mr. PATMAN. I yield to the gentleman from Georgia.

Mr. COX. The resolution that was adopted at Miami refers perhaps directly to the Patman bill. Speaking for myself, I believe that the measure would lose a large part of its popular support as well as the support of the Members of Congress if the measure were deprived of the gentleman's authorship. It is an honor that he justly deserves and he is entitled to authorship of any legislation that may be adopted by the Congress looking to payment of the adjusted-service certificates. I do not believe that the Congress would commit such an ungenerous act as to deprive the gentleman of that honor by substituting any other measure for the measure which he has so ably sponsored for a number of years.

Mr. PATMAN. I thank the gentleman for his comment, but this is not a fight over authorship. Ever since this fight commenced years ago I said I had no pride of authorship. I still make the same statement. Any Member of the Ways and Means Committee may assume authorship of the measure so far as I am concerned, and it will have my support. I shall enthusiastically support it and you will never hear a word out of me about authorship. I do not care anything about that. However, I appreciate the kind words of the distinguished and able gentleman from Georgia, a member of the powerful Committee on Rules.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. COLMER. May I ask the gentleman if it is not a fact that our distinguished colleague, the gentleman from Kentucky [Mr. VINSON], the author of the so-called "Legion bill", served as a member of the steering committee of the House at the last session that put H. R. 1 through the House of Representatives?

Mr. PATMAN. It is true that the gentleman from Kentucky has been a very ardent supporter of this bill in the past and materially assisted in its passage in the House. I do not object to any bill that is supported by the American Legion or anyone else, so long as it complies with the mandate of this convention and the intentions of the veterans all over this Nation and the people generally.

Mr. McFARLANE rose.

Mr. PATMAN. Let me finish this statement and then I will yield to all of you; because if I do not make it now, I will probably not get a chance to make it.

DISCUSSION BEFORE CONVENTION

Let me tell you something else about this resolution. Not only does it say that its payment will not create any additional debt, but I discussed the resolution before the convention myself, and I was on the committee that drafted the resolution, and made certain statements about what was covered in the resolution. I appeared before the convention in support of it, and I was the first one who did appear, and I told the delegates there assembled:

Do not be alarmed or disturbed about the expansion of currency or the inflationary part that might be involved in this resolution. These certificates may be paid without the expansion of the currency or they may be paid with an expansion of the currency. You can pay them in notes and not expand the volume of currency one dollar by retiring from circulation this same amount of Federal Reserve notes at the same time.

I believe this statement should be considered in determining intent.

H. R. 1 CARRIES OUT RESOLUTIONS

The bill which was introduced—H. R. 1—provides that United States notes shall be issued to pay the certificates. It provides further that in the event there is danger of undue expansion of the currency or unbridled inflation, the Secretary of the Treasury may cause to be withdrawn Federal Reserve notes.

This is what I said before the convention, and the bill—H. R. 1—carries out the mandate of the convention, and the bill introduced by my good friend the gentleman from Kentucky [Mr. VINSON] does not comply with the mandate of the convention.

Mr. ARNOLD. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. ARNOLD. The gentleman has just touched on the point I was going to inquire about. Under the Vinson bill it will either be necessary for the Government to issue bonds or to raise the necessary money by taxation.

Mr. PATMAN. That is quite true.

Mr. ARNOLD. And under the bill H. R. 1, it will not be necessary either to issue bonds or to raise additional revenue by taxation.

Mr. PATMAN. That is right.

Mr. ARNOLD. Then the resolution of the American Legion at Miami could not, under any circumstances, have applied to the so-called "Vinson bill."

Mr. PATMAN. That is true. Let me discuss that just a moment.

Mr. BLANTON. In that connection, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. BLANTON. The provisions of the Patman bill H. R. 1, have been approved by the rank and file of the members of the American Legion in convention assembled, while what is known as the "Vinson bill" has not been approved by them, but has been approved only by certain high-up officers; is not that true?

Mr. PATMAN. That is true.

H. R. 1 SHOULD BE CALLED "LEGION BILL"

Mr. BLANTON. Then the provisions of the Patman bill ought to be called the "American Legion bill" and the provisions of the other measure ought not to be called the "American Legion bill."

Mr. ARNOLD. If the gentleman will permit, I should like to have a direct answer to my interrogatory and it has not been answered fully.

Mr. PATMAN. Yes; I want to discuss the gentleman's questions before I yield.

Mr. FISH. Will the gentleman yield? I want to have the RECORD correct.

Mr. PATMAN. I yield. I desire the RECORD straight. If I have made an incorrect statement I want it corrected.

Mr. FISH. Does the gentleman insist that the American Legion made a specific demand at its last convention for his bill?

Mr. PATMAN. I do not say my bill.

Mr. FISH. That is what I had in mind.

Mr. BLANTON. The convention demanded a bill in the same terms and with the same provisions as the Patman bill H. R. 1?

Mr. FISH. A bill providing for a cash bonus.

Mr. BLANTON. It was based on the very idea of the Patman bill H. R. 1.

Mr. PATMAN. Being on the subcommittee that wrote the resolution and being on the committee that recommended it to the convention, I certainly would not agree to a resolution that would exclude that bill.

Mr. FISH. Certainly; and I wanted the RECORD to be correct.

Mr. BLANTON. And the delegates at that convention had in mind the Patman bill, the bill of the gentleman from Texas, H. R. 1.

Mr. COX. What the gentleman had in mind as a member of the committee, and what the convention had in mind, is the bill introduced by the gentleman from Texas.

H. R. 1 SOLD TO COUNTRY AND CONGRESS

Mr. PATMAN. I believe they had in mind the only bill that had been sold to the country, providing that there would be no additional taxes, no additional bond issue, and no additional debt. This is the bill we have sold to the country and it is the bill that the resolution refers to when it states, "Whereas the payment of said certificates will not create any additional debt."

Mr. FISH. The gentleman does not wish to say that the Legion is bound to his particular bill?

Mr. PATMAN. No; they can consistently support one under the name of the gentleman from New York if they want to, if it carries out the mandate of the convention in regard to not asking for the creation of any additional debt.

Mr. ARNOLD. But if the Legion adheres to the resolution adopted in Miami, they would have to be for the Patman bill rather than the Vinson bill.

Mr. FISH. Oh, no; they would not.

Mr. ARNOLD. Because the Patman bill does carry into effect the resolution adopted at Miami.

Mr. FISH. The Legion itself and its officers would know to what they are committed.

Mr. PATMAN. We are not questioning the Legion, but the leaders of the Legion who are not carrying out the will of the rank and file of the Legion.

Mr. McFARLANE. And they have not done that for the last 5 years.

Mr. FISH. But they speak for the Legion.

Mr. PATMAN. So long as it does not conflict with what they have been told to do. In this case they have been told to advocate a bill that will not create any additional Government debt.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. McFARLANE. Under the wording of the resolution itself, which the gentleman has just read, under all the discussion that took place and under the roll-call vote that was recorded there, can there be any doubt about the fact that the matter was clearly placed before the convention or any doubt as to their vote upon the matter?

Mr. PATMAN. I do not think there can be any doubt about it.

Mr. McFARLANE. May I ask the gentleman if he will not insert in the RECORD the roll-call vote?

Mr. PATMAN. The gentleman from Illinois [Mr. ARNOLD] asked a question that should be answered.

Now, of course, the bill, H. R. 1, does not create any additional debt. It is the only bill now before the Commit-

tee that will carry out the mandate of the American Legion because it provides that the Secretary of the Treasury may retire Federal Reserve notes in the event there is danger of undue expansion of the currency. I said in my opening speech at the convention that the debt could be paid in this way and it was considered by the delegates when the vote was taken.

Mr. HAINES. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. HAINES. I wish the gentleman would insert in the RECORD how much additional debt that would pile up.

MORE TAX-EXEMPT BONDS UNDER VINSON BILL

Mr. PATMAN. I will do that. Now, let us see if the Vinson bill will create a new debt. Under the Vinson bill it says that it shall be paid out of any money in the Treasury not otherwise appropriated. You know that the money in the Treasury is for the purpose of paying the running expenses of the Government. It will be necessary for the Secretary of the Treasury in some way to obtain that money. The Treasury does not have the power to levy taxes. The Treasury can only issue more tax-exempt securities, interest-bearing bonds, and would be required to do it, and could not do anything else. Then taxes would have to be levied to pay those bonds. That certainly is creating a new debt. If a bill passes to levy new taxes, that is also creating a new debt.

ONE HUNDRED MEMBERS OF HOUSE OR MORE CO-AUTHORS

I want to say to you, my friends, that there is no doubt on earth about it. There is one bill that will carry out the mandate of the Miami resolution—it is not my bill—it belongs to Members of this House who have sponsored it for years and years here in Congress and in every nook and corner of the Nation. They were consulted before the bill was introduced; they had something to do with the terms and provisions inserted in it. It is not my bill, it belongs to the Members of the House who have supported it for years. At least 100 Members of this House are entitled to be known as "co-authors" of this bill. I have no pride of authorship. We are willing to give authorship to any member of the Ways and Means Committee. We do want the bill that has been so long before Congress sold to the country and the veterans.

COMMANDER SHOULD SUPPORT MANDATE OF CONVENTION OR RESIGN

If the commander of the American Legion is not willing to get back in line and support the mandate of the convention that elected him, he should resign from that high office and let somebody get in there that will. [Applause.]

BEST-INFORMED ECONOMISTS SUPPORT H. R. 1

Mr. SWEENEY. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Yes.

Mr. SWEENEY. Is it not a fact that the method of paying these certificates as outlined by the gentleman's bill, H. R. 1, meets with the approval of many economists and students of the monetary question.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. ARNOLD. Mr. Chairman, I yield the gentleman 2 minutes more.

Mr. PATMAN. What is the gentleman's question?

Mr. SWEENEY. Does not the method of paying these certificates, outlined in the gentleman's bill, meet with the approval of former Senator Robert Owen, who is president of the Sound Money League of America, and of other economists?

Mr. PATMAN. That is right. Senator Owen is one of the best-informed men in the world on monetary questions. He and many other experts on monetary matters are supporting H. R. 1.

Mr. SWEENEY. And that the use of Treasury certificates will be no additional obligation?

Mr. PATMAN. There will be no additional debt created under the terms of H. R. 1. It would be in effect this—that \$2,000,000,000 will be issued to pay the debt; and suppose there should be danger of inflation, the Treasury could then withdraw \$2,000,000,000 of Federal Reserve notes. What difference does that make? You will have the same amount of

money outstanding. The difference will be this. The \$2,000,000,000 paid to the veterans no one will pay interest on, whereas every dollar of the \$2,000,000,000 issued by the Federal Reserve banks outstanding, somebody will be paying interest on it.

Mr. SAMUEL B. HILL. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Yes; I yield to the distinguished member of the Ways and Means Committee.

Mr. SAMUEL B. HILL. Will the gentleman explain the operation of the retirement of Federal Reserve notes and about how long it will take to retire the necessary amount of Federal notes to prevent inflation?

HOW UNBRIDLED INFLATION CAN BE PREVENTED

Mr. PATMAN. I could not tell the gentleman about the exact time it will take. We have 12 Federal Reserve banks and each bank has a right, and has been exercising that right, to deposit United States Government bonds payable and receive new money in return for those bonds, Federal Reserve notes. That right has been exercised to the extent of \$3,500,000,000 which have been issued to Federal Reserve banks in that way, and all the Treasury would have to do would be to say, "Here are your bonds; bring us the \$2,000,000,000 in money back for them so that we can cancel your money." That is the only machinery that you would have to put into effect.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Yes.

ORDERLY PROCEDURE

Mr. BLANTON. The gentleman knows that a majority of the Members of this House can do anything they want to do when the Members are here and vote. There is a rule, House Resolution 30, which I have introduced, which is now before the Committee on Rules, which makes the gentleman's bill, H. R. 1, in order as a rider on the legislative appropriation bill. If this House wants to do it and it can do it in an orderly way—and I do not believe in overriding any rules—it can force that resolution out of the Rules Committee and pass it. That will make the gentleman's bill, which is known everywhere as the "Patman bill", H. R. 1, in order as a rider on the legislative appropriation bill; and I imagine, if you will put the Patman bill, H. R. 1, as a rider on that bill, legislative appropriation bill, it will pass both Houses of Congress, even over a Presidential veto.

Mr. PATMAN. I am in favor of orderly procedure in this House; I am in favor of parliamentary rules. I shall not attempt to do anything that will disrupt the proceedings under the rule if we can possibly get a square deal without it.

Mr. BLANTON. Nor shall I.

Mr. PATMAN. Except under one condition. The Vinson bill does not include a method of payment. If it comes on the floor of this House like it is, H. R. 1 will not be germane to it, and it will not be in order to offer H. R. 1 as an amendment to the Vinson bill or as a substitute or on a motion to recommit, and we may as well recognize that fact now and keep it in mind. Congressman CANNON of Missouri, one of the best parliamentarians in the United States, has advised me about the rules.

The Rules Committee, possibly, would not give the Ways and Means Committee a rule upon a bill that would exclude H. R. 1 as an amendment, but the Ways and Means Committee has certain rights of its own. The Chairman of the Committee on Ways and Means can call the bill up for consideration without a rule after it is favorably reported. We can then introduce any amendment we desire except the amendment we really want adopted in regard to the issuance of currency, which would not be germane, and we could not get it considered. I am not expecting any such action on the part of the Ways and Means Committee, but I desire to discuss the matter in order that the question may be brought to the attention of the members of this committee, and express the hope that no bill will be brought out that will exclude the House from considering H. R. 1. If such a bill should be reported by the committee, we will make an effort to get H. R. 1 considered by adopting Congressman BLANTON'S rule, if we have time to do it. If not, we will then possibly

be forced to offer H. R. 1 as a substitute or as an amendment. If the Speaker should then hold it is not germane, we might be forced, in order to properly protect our rights, to appeal from the decision of the Chair and override the Chair. There will be no effort to resort to the last method to obtain consideration unless we are forced to do so.

Mr. BLANTON. But my plan is to do it in an orderly way in accordance with the rules of the House.

Mr. PATMAN. Yes; and I suggest we first try your plan and all other orderly ways before even considering overriding the Speaker's ruling if it is considered.

Mr. BLANTON. We can pass my plan if we can get enough votes, and make the Patman bill, H. R. 1, a part of the legislative appropriation bill.

Mr. PATMAN. That is the reason I want the Ways and Means Committee to know that we are expecting to get consideration of H. R. 1 if it is at all possible; and we will resort to all honorable means to accomplish it. If the Ways and Means Committee should favorably report the Vinson bill, as is, the House would in effect be gagged.

Mr. LEE of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Yes.

Mr. LEE of Oklahoma. Has the gentleman any information that Mr. Belgrano opposed the bonus or was not for the bonus until lately?

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. ARNOLD. Mr. Chairman, I yield the gentleman 5 minutes more.

Mr. LEE of Oklahoma. And as to John Thomas Taylor, who wrote this bill, has he been in favor of a bonus up to now; and is Mr. Belgrano connected with a bank?

Mr. PATMAN. Respectfully, I will say to my good friend from Oklahoma, I am not going to answer anything about anyone personally except what is a matter of record. Most of the Legion leaders have been our opponents of this legislation for about 6 years. We have fought them for 6 years.

It is true our bill has been defeated in the Senate twice, when it was opposed by the American Legion leaders, but with the support of the American Legion we had reasons to believe that the Senate would pass the bill this time. No consideration should be given to what the Senate might do until the bill has passed the House. If the Senate should then pass an entirely different bill, a free conference committee composed of Members from both Houses will iron out the differences.

Mr. LEE of Oklahoma. Is John Thomas Taylor a Democrat or a Republican?

Mr. PATMAN. I am not going to get into personalities or politics at all.

Mr. TREADWAY. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. TREADWAY. The gentleman has made several references to orderly procedure, which I am in favor of. The gentleman has also made several references to the Ways and Means Committee. It so happens that I am a very humble member on the minority side of that distinguished committee. I wish to assure the gentleman that neither openly nor in executive session has there been any effort made by the Ways and Means Committee to, as he says, gag his bill. I want to give that assurance to the House, and I want to add that we have been in constant session, usually twice a day, hearing a very important bill that was placed ahead of the gentleman's bill at the request of the administration. Now the gentleman cannot say that the Ways and Means Committee has acted unfairly or has gagged him or his measure in any way whatsoever, even if I am a minority member. I am going to have that much respect for the committee of which I am a member.

Mr. PATMAN. I said that if the Vinson bill was brought out as it is, H. R. 1 would not be germane; but I am glad to know that the ranking member on the minority side of the Ways and Means Committee is not in favor of doing what will in effect be gagging the House.

Mr. DOUGHTON. Will the gentleman yield?

Mr. PATMAN. Just let me finish my statement, please. I am sure there is no effort on the part of any member of the Ways and Means Committee to do that, but I am telling you what would happen if the Vinson bill was brought out. I am glad the Chairman of the Ways and Means Committee [Mr. DOUGHTON] is standing before me so I can tell him about it. The gentleman is a very fine, lovable man, and I know he wants to do the right thing; but if the Vinson bill is brought out as it is, the bill which the country is sold on and the bill which the veterans want, H. R. 1, will not be germane. So I hope the gentleman will help us bring out the bill which will permit the Members to express their views by a record vote.

Mr. DOUGHTON. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. DOUGHTON. As Chairman of the Ways and Means Committee, I desire to say that I think the remarks of the gentleman from Texas, even intimating or suggesting that the Ways and Means Committee would attempt to gag the Membership of this House, are entirely out of place.

Mr. PATMAN. I am just expressing the hope that no bill will be reported which will not permit H. R. 1 to be considered. I am not accusing anyone or making any charges. I am merely reciting the legislative and parliamentary situations.

Mr. DOUGHTON. Well, why the suggestion? What has this committee done to prompt a suggestion of that kind?

Mr. PATMAN. There is no suggestion about it, except that I am expressing a hope that it will not be done. We have to discuss this frankly and freely, because if the committee brings in the Vinson bill, the chairman can call it up suddenly and we will not be prepared, so we might as well discuss it now. Will the gentleman bear with me while I make another statement? There was some remark made about not giving us a hearing. The Speaker of this House stated, both before and after his election on January 3, 1935, that he was in favor of expediting consideration of this measure in the House. The distinguished Chairman of the Ways and Means Committee, who now stands before me, a gentleman whom I have the utmost confidence in and the highest regard for, announced on January 10, 1935, that we would have a hearing in a very few days. We were expecting a hearing on January 14 following, 4 days later, and I believe we would have got it—the Ways and Means Committee was not doing anything that week particularly—and I believe we would have got that hearing, but this Vinson bill was introduced on January the 14th, and everything quieted down; there was a difference then and the hearing was postponed. If that bill had not been introduced on January 14, I believe we would have had a hearing the week commencing on that date and the bill would have already passed the House long before now. It will be recalled there was no security bill before the Ways and Means Committee until several days after January 14.

Mr. Chairman, several weeks before Congress met, I filed with the Clerk of the House a bill providing for the full and immediate payment of the adjusted-service certificates. This bill was given a tentative number, 1. It is the same bill that passed the House of Representatives, June 15, 1932, by a vote of 211 for to 176 against. It is the same bill that passed the House of Representatives, March 12, 1934, by a vote of 295 for to 125 against. This bill is well known to more people interested in this subject than any other bill before Congress. Its terms and provisions have been sold to veterans and nonveterans alike, as well as to the Members of Congress. Many Members of Congress elected last year were pledged to support this particular measure. We know our strength on this bill. The Senate defeated the measure in 1932 and in 1934 at a time when we had the Legion's opposition instead of its support. Since that time many Members of the Senate have been elected on the pledge to support H. R. 1.

EARLY CONSIDERATION PROMISED

Congress met January 3, 1935. For many days before Congress assembled, the newspapers were filled with news

emanating from high officials in Washington to the effect that this bill would be passed upon early in the session. The Speaker of the House—the Honorable Joseph W. Byrns—before and immediately after his election gave out many interviews in which he stated it was his personal wish that this legislation should be passed upon at an early date and he personally would make an effort to expedite its consideration. January 10, 1935, the Chairman of the Ways and Means Committee of the House—the Honorable Robert Doughton of North Carolina—publicly announced that a hearing on this legislation would be held in a very few days and a committee report made to the House.

EARLY ACTION PREVENTED

In view of these facts we expected a hearing on this bill, commencing January 14, and expected to have it disposed of before the security bill was introduced. But, instead of the hearing commencing before the committee on January 14, the leaders of the American Legion caused to be introduced what was known as "H. R. 3896", by Mr. VINSON of Kentucky. Congressman VINSON is an able and distinguished Member of Congress. I hope that nothing I shall say will be construed directly or indirectly as any reflection against him, as I will, under no circumstances, oppose FRED VINSON except as one lawyer opposes another in a lawsuit. Neither do I have any personal differences with the leaders of the American Legion. Congressman VINSON has on two prior occasions supported H. R. 1, and the Legion leaders divided our support and confused the issue by persuading him to introduce H. R. 3896. We have not to date had a hearing on these bills. We do not now know when such a hearing will be held. We are not expecting consideration before the security bill, but I believe a hearing should have been held before the security bill was introduced.

LEGION BILL DELAYED HEARINGS

It is my honest belief that if the heads of the Legion had not caused this bill to be introduced, a hearing would already have been held, the bill already passed in the House, and would now be pending in the Senate. It is my further belief that the leaders of the American Legion were acting in opposition to the wishes of the rank and file of the Legion in causing this monkey wrench to be thrown into the legislative machinery.

LEGION LEADERS OPPOSED BILL 6 YEARS

It is a well-known fact that the leaders of the American Legion have for 6 long years opposed this legislation. They are now for the legislation and I think we are justified in believing that the principal reason they are for it is because they are instructed by the rank and file to fight for its passage. There is a question in my mind whether or not one who is thus compelled to support legislation can be very enthusiastic for it. I will presume that they can. However, it occurs to me, and I believe the veterans of this Nation, including the rank and file of the Legion, feel the same way about it, that if the leaders of the American Legion want to adopt the course that will get the best results, they will join the forces in the House that have on two prior occasions secured the passage of the legislation in that body by tremendous and overwhelming majorities.

SUCCESSFUL PASSAGE PLACED IN JEOPARDY

The action of the American Legion leaders in trying to divert the Members of the House from a heretofore charted course on this legislation has not only retarded the legislation, but has placed its successful passage in jeopardy. Is it possible that the Legion leaders who are responsible for this action and who have consistently in the past opposed the legislation, are trifling with the veterans in the hope that the legislation will be defeated; or, if they cannot succeed in defeating it, that it will be made into a "bond bill"? I do not make this charge, but the veterans generally are making it. I presume the leaders are conscientious and sincere, and I suggest that such an imputation can be completely answered by the Legion officials withdrawing any effort to divide the Members of the House and divert them from the bill that they have twice before approved.

VINSON BILL ANALYZED

Let us analyze the bill that the American Legion wants passed, the Vinson bill:

First. It provides for full payment of the remainder due on the certificates out of any money in the Treasury.

Second. It does not specifically require a bond issue or additional taxes.

Third. The result of its passage will be that money must be obtained from some source to pay the debt. The Treasury cannot levy taxes, but it can issue bonds. Bonds will be issued and a new debt created.

Fourth. Our President will immediately call upon Congress to levy the taxes to pay the bill, or he will veto the bill. We have already been warned to that effect. If taxes are levied, a new debt will be created.

Fifth. If the bill should be approved and taxes are not levied, the Treasury will issue more tax-exempt, interest-bearing bonds to pay the debt and taxes must eventually be levied to pay not only these bonds but a bonus to a few large banks that will purchase them. By the time \$2,000,000,000 in bonds are paid the bankers will get \$2,000,000,000 in interest.

BANKERS' BONUS BILL

Therefore, with all due respect to the proponents of the measure, the bill can properly be labeled a "bankers' bonus bill."

SIX-YEAR CAMPAIGN

For 6 years I have been working for this bill. I have crossed every State line in this Nation in the campaign. During this time my principal opponents have been the leaders of the American Legion, not the rank and file. My principal proponents were the veterans generally, including the rank and file of the American Legion and a substantial percentage of the nonveterans.

ATTEMPT TO RULE OR RUIN

Now, the leaders of the American Legion, after 6 long years of fighting the measure unsuccessfully, and in opposition to their instructions, come in in an attempt to rule or ruin. The Portland convention in 1932 passed a resolution favoring full payment, but the leaders of the Legion did not introduce a bill at that time. They were content to let the House of Representatives pass any bill it desired to pass. The Miami convention was held in October 1934. The Legion did not offer a bill until January 14, 1935, and at the very time its introduction caused a delay.

WHAT H. R. 1 PROVIDES

H. R. 1 provides for full and immediate cash payment of the adjusted-service certificates by converting one form of Government obligation into another form of obligation. It will not create an additional debt, will not cause an increase of taxes, will not permit the issuance of additional tax-exempt, interest-bearing bonds, and will cause the distribution of actual money into every nook and corner of this Nation immediately.

AMERICAN LEGION GREAT ORGANIZATION

I want it understood that I think the American Legion is one of the greatest organizations in America. Some of the greatest men in the Nation are members of the American Legion. It is an honor to belong to it. I wish it had 4,000,000 members. As a humble and a very insignificant member, I believe in its principles and am loyal to its cause. I do believe that the wishes of the rank and file of the organization should be respected and action taken by the leaders that will result in the most effective way of carrying out these wishes.

RANK AND FILE SHOULD INFORM LEADERSHIP

If the rank and file of the American Legion will let the leadership know that they are expected to work for the passage of the bill that the House of Representatives has on two former occasions expressed a preference for and ready to pass at this time, and the bill, and the only bill, now pending that embodies the Miami resolution instead of dividing our forces, this bill, to my mind, will be passed in Congress in a very short time.

RECENT LEGION PRESS STATEMENT—WHO MADE FIRST ATTACK?

In a press release from national headquarters of the American Legion about January 15, 1935, in regard to the payment of the adjusted-service certificates, it was stated:

In a determined move to take the adjusted-service-certificate issue out of the dangerous realm of financial and political fantasies, the American Legion has introduced in Congress its own bill providing for immediate payment of the Government's debt to the World War veterans.

In the same release it was stated:

The action of the Legion, under the direction of the national commander, has completely cleared away the smoke screen that enshrouded the so-called "bonus issue" in Washington as a result of the efforts of some groups having inflationary and new monetary plans to tie their ideas into the adjusted-service-certificate legislation. These plans seriously threatened the success of the veterans' program until the Legion took decisive action to take the issue out of the atmosphere of such theories and bring it down to the solid ground of fact.

Therefore, it will be seen that the leaders (not the rank and file) of the American Legion claim that we, the supporters of H. R. 1, have had the issue in a dangerous realm of financial and political fantasy; in other words, we were merely making mental images, supporting a whimsical contrivance or notion. Further, this statement says that the Legion was taking the issue out of the atmosphere of such theories and bringing it down to the solid ground of fact. In another way, it may be stated that what we have supported for 6 years was not on the solid ground of facts; we were merely pursuing fantastic, absurd theories, and had the issue in a dangerous realm. This is a reflection on every Member of the House of Representatives who supported H. R. 1 in the past, including my good friend the distinguished and able gentleman from Kentucky [Mr. VINSON], who has in the past been one of its most ardent and enthusiastic supporters.

QUESTIONNAIRE

Tomorrow morning every Member of the House will receive a questionnaire, as follows:

1. Do you favor the full immediate cash payment of the adjusted-service certificates? _____
2. Do you favor H. R. 1, that will not create any additional debt, in preference to other bills pending before the committees? _____
3. If you do not favor H. R. 1, indicate the bill or plan that you do favor. _____

Will you please answer the above questions and return this questionnaire to the Honorable ABE MURDOCK, room 249, Old House Office Building. Please return at once.

STEERING COMMITTEE FOR THE PASSAGE OF H. R. 1

Wright Patman, chairman; Abe Murdock, secretary.
Adolph J. Sabath, Illinois; James G. Scruggam, Nevada; Arthur H. Greenwood, Indiana; William L. Colmer, Mississippi; Jennings Randolph, West Virginia; Clarence Cannon, Missouri (parliamentarian); William P. Connery, Jr., Massachusetts; William M. Berlin, Pennsylvania; Frank Hancock, North Carolina; James P. Richards, South Carolina; Gerald J. Boileau, Wisconsin; Andrew J. May, Kentucky; Fred H. Hildebrandt, South Dakota; Martin F. Smith, Washington; Martin Dies, Texas; John E. Miller, Arkansas; George A. Dondero, Michigan; and Paul J. Kvale, Minnesota.

Mr. TABER. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, I only rise in an effort to try to keep the RECORD straight. The American Legion convention did not endorse any bonus bill. The only spokesman for the American Legion is the National Commander Frank Belgrano, of California. Every Member will probably find out from the Legion posts in his own district exactly where the Legion stands. I am advised they stand for the Vinson bill, and the reason they do not stand for the Patman bill is that they believe it to be inflationary. They believe it provides for printing-press money.

Mr. MAY. Will the gentleman yield?

Mr. FISH. I only have 3 minutes, and I cannot yield.

The American Legion has come out against inflation. It is also interesting to note that the American Federation of Labor, through its President William Green, is also on record against inflation. Labor knows even better than the veterans that inflation brought ruin and disaster to the workers in European nations. Neither the veterans nor labor want a repetition of that suffering and misery in the

United States. Of course, all inflationists in the House, on both sides, are going to support the Patman bill. It is an inflationary measure, opening wide the doors to starting the printing presses, and if you start the printing presses going to pay the veterans \$2,000,000,000, why not pay for the Army and the Navy appropriations and the salaries of the Members of Congress, and all other appropriations? There is nothing whatever to stop it. That is why the Legion is against it. Do not make any mistake. The Legion was not committed to the Patman bill. Its commander represents the viewpoint of the Legion. That will be proved by the posts in your own districts. If you do not believe what I am telling you, just write back to some of the post commanders in your own districts. Do not be led astray by the inflationists and those who advocate issuing greenbacks, printing-press money, or any other currency inflation. What we need is inflation of confidence and not inflation of currency. The inflationists are back of the Patman bill as an inflationary measure, and want to use the Legion as a vehicle to carry out their policies. The Legion, however, refuses to be used for this purpose or to compromise with inflation in any form. And when the gentleman from Texas, whom I respect because of his constancy and steadfastness, states that his bill has been sold to the country, it is not so. It was defeated by a 3 to 1 vote in the Senate. It has never been sold to the country; it has never gone through the Congress. The Vinson bill does not provide for greenbacks or printing-press money, and must be considered on its merits and on the facts. If you are in favor of making a cash payment to the veterans now and desire printing-press inflation, vote for the Patman bill. If you are against that kind of inflation, vote for the Vinson bill which is supported by the American Legion and carries out its policies.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Chairman, I wish to address my remarks very briefly to a reply made by the gentleman from Ohio [Mr. HARLAN] to previous remarks of mine of a few days ago. In order to make myself clear I will quote directly from the RECORD.

In his remarks the gentleman from Ohio [Mr. HARLAN] asked that I put in the RECORD a list of the concessions made to Cuba. I did that. I had it in my matter for extension before he asked me to do it. Replying to his interruption of my remarks I said: "I am interested in our people, not the Cuban folks." The gentleman from Ohio took serious exception to that answer. I stand by that answer. Mr. Chairman, I am interested first in our own people. We are here as Representatives of the American people, not as representatives of the citizens of Cuba or any other country. My first allegiance, therefore, under my oath as a Member of this House, and your first allegiance under your oath as a Member of this House, is to the welfare and well-being of the American people. So, when the gentleman from Ohio says that the remark I made was childish, I should like to have some information as to what our duty is. If our first consideration is to write our laws or have our laws written for us in a manner beneficial to a foreign country rather than to our own country, I am in the wrong; otherwise I think I am in the right and would make the same reply again if I were making it extemporaneously, as I did at that time. The gentleman realizes I meant nothing in an offensive way to him.

Later on, in reference to Cuba, the gentleman said she accepted a very definite quota on her exports of sugar to us so as not to injure our producers. She accepted a quota of 300,000 tons more sugar than were admitted to this country from Cuba before the adoption of this reciprocal treaty. If that is not injurious to our producers of sugar, will the gentleman explain how it is not? Three hundred thousand tons of sugar means employment to many hundred people either in the beet fields of Michigan or in the cane fields of Louisiana and Florida. But, according to the views of the gentleman from Ohio, it is not injurious to our producers. I say it is, and it would have been much more in keeping with the real spirit of Americanism if instead of increasing

the allowance to Cuba it had been cut down, and thus giving just that much more employment to the people in the beet fields of the West and in the cane fields of the South.

Then the gentleman speaks of a great concession we got on cigarettes, so that an American today can buy a package of American cigarettes in Cuba for 25 cents instead of 75 cents. I have not a great deal of sympathy with that chap. In the first place, I do not smoke; but if I did I would be willing, in a land where they do nothing much but raise tobacco and sugar, to patronize home industry to the extent of smoking their kind of cigarettes when I was in their country. If an American sees fit to go to Cuba and is not smart enough to put a few packages of cigarettes in his bag before he goes, it is better that he pay their price than that we make concessions on our tariff rates.

There are many quotations from the gentleman's speech, Mr. Chairman, that I have not the time to read. The gentleman stated in another place: "We cannot now profitably grow sugar." I take exception to this remark. If the sugar producers of this country were given a fair show under the tariff provisions instead of these provisions constantly favoring the investment of American capital in Cuba, plenty of sugar could be manufactured in this country.

Mr. WOODRUFF. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I yield for a brief question.

Mr. WOODRUFF. I think it is a well-known fact among people who have investigated and know the situation, that if the domestic sugar industry were properly protected and encouraged to develop, the American farmers could produce all the sugar the American people could eat.

Mr. TREADWAY. Yes; and produce it at a profit to the growers and manufacturers and at a fair price to the American consumers.

In another place the gentleman from Ohio stated that the sugar grower and the pork grower were the same person. That is brandnew to me. I cannot see that. I ask my colleague from Michigan whether they are the same person?

Mr. WOODRUFF. Not by any means; they are not.

Mr. TREADWAY. And is it not fair to compare such a statement to the old argument we have heard that we should put a duty on bananas in order to force people to eat more apples?

Mr. WOODRUFF. It is comparable to something of that nature.

Mr. TREADWAY. In other words, if the beet growers of Michigan, Colorado, and the Central West do not want to grow beets, they can raise corn, feed hogs, slaughter them, and compete with other corn-hog farmers.

Mr. WOODRUFF. Yes. In other words, the gentleman to whom reference is made wants the beet-sugar growers of the country to raise corn, hogs, wheat, and everything else, of which we now raise large surpluses, and upon which processing taxes are assessed and collected.

Mr. TREADWAY. Absolutely. I thank the gentleman for his observation. A particularly interesting paragraph I see marked here covers the fact that there was nothing particularly secret about this reciprocal treaty with Cuba. Here is a copy of the treaty, and on the outside of it is the statement:

For the press: Department of State, August 25. Confidential. Release for publication newspapers August 26—

And it was signed August 24. If that is not a secret conference—

Mr. HARLAN. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Yes; I will yield to the gentleman because I am criticizing his statements.

Mr. HARLAN. To one familiar with the way in which governmental documents are released to the press, all of them bearing a similar designation on their face so they will be released publicly on the same day, does not that argument appeal as a little bit weak?

Mr. TREADWAY. It does not, because the agreement was made in secret and not a single manufacturer, producer, or employer of labor in this country can tell what article of agreement he will be subject to in his future business transactions. Tariffs are debated on this floor. Tariff rates have, up to this time, been written in Congress and not in a secret confab between representatives of the State Department and foreign countries.

Mrs. KAHN. Will the gentleman yield?

Mr. TREADWAY. I yield to the gentlewoman from California.

Mrs. KAHN. Is it not a fact that these reciprocal treaties are negotiated in secret, and no one knows what articles are being considered?

Mr. TREADWAY. Yes. There is a long list of them in print that are being negotiated at the present time, and may I say right here that yesterday I offered three privileged resolutions in order to find out what articles are being considered between representatives of the State Department and representatives of foreign countries. I want that information, and I think Congress is entitled to the information.

Mr. HARLAN. Will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from Ohio.

Mr. HARLAN. Has the gentleman noticed the fact that the exports of agricultural products from this country to Cuba since the adoption of this reciprocity treaty has almost doubled?

Mr. TREADWAY. I will have something to say about that, too. The gentleman says that is the result of goodwill between this country and Cuba.

Mr. HARLAN. It is the result of the reciprocity treaty.

Mr. TREADWAY. We cannot feed our people on goodwill. We have to have bread and butter.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. TREADWAY. Mr. Chairman, we cannot feed people and have good American citizens happy on goodwill. It takes more than that.

The gentleman states further—and I should like to be very careful about this—that this is no new type of legislation, and cites the Embargo Act of 1794 and later acts, and says that in these measures the President was authorized to do far more than he is empowered to do under the Trade Agreements Act. This I most emphatically deny.

At no time in the history of the country has the President been given the power to sit down with representatives of foreign countries and write our tariff rates. At no time in the history of the country has the President been given the power to strike down one domestic industry to help another. At no time has such a star-chamber procedure ever been set up for fixing tariff rates. At no time has Congress ever given the President carte-blanche authority to negotiate agreements with foreign countries without prescribing in advance the concessions he could make, both as to articles and rates, or without requiring that any agreement entered into should be ratified by the House and Senate before becoming effective.

The gentleman says that that is the method under which this reciprocal-trade agreement with Cuba has been carried out and is intended to be used in other instances. I may be mistaken as to the way in which we write tariff acts. Why today is this special delegation recently arrived from Brazil being feted and catered to? Why, to aid in writing concessions for the Brazilian Government, not for the American people.

Mr. WOODRUFF. Will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from Michigan.

Mr. WOODRUFF. Is it not a fact that heretofore whenever a change in tariff rates has been contemplated there was always a forum where the producers of every product could air their views, give their opinions, and show how the proposed changes were going to affect them?

Mr. TREADWAY. Absolutely. There never was a tariff rate written that the people could not appeal to some governmental agency and have a hearing, and I defy the gentleman from Ohio to show where any hearing was given for the industries or producers of this country before the commission that wrote this Cuban treaty. A list of articles was made up, but no one knew which articles were being considered or the suggested changes.

[Here the gavel fell.]

Mr. ARNOLD. Mr. Chairman, I yield to the gentleman from Texas [Mr. McFARLANE] such time as he may desire.

SHALL WE PAY THE BONUS WITH NEW MONEY AND SAVE \$1,500,000,000 OR PAY WITH BONDS AND GIVE THE BANKERS \$2,730,000,000?

Mr. McFARLANE. Mr. Chairman, in order to keep the record straight on this adjusted-service-certificate matter, I desire to make a few remarks.

We have one nationally known veterans' organization that has gone down the line 100 percent for the cash payment of the bonus. I refer to the Veterans of Foreign Wars. They have never asked any counter nor have they given any. Their commanders in chief, as well as their national representatives here at the Capitol, have 100 percent since the war insisted that this was a just debt and that it ought to be paid promptly in cash.

I am sorry I cannot make the same statement concerning the national commanders and representatives we have had here for the American Legion. I know and you know that for the past several years the kind and character of representation the Legion has had up here has not represented the true sentiment of the rank and file in reference to the adjusted-service-certificate matter. The gentleman who is the national representative of the Legion here now, Col. John Thomas Taylor, who enjoys the liberty to practice before different departments of the Government, who was brought here by a gentleman in another body, Mr. Boies Penrose of Pennsylvania, has always had that line of thought, and the last session of Congress he went up and down these halls congratulating Members of Congress because they voted against the payment of the adjusted-service certificates. He is the national representative of the American Legion here today. He is the gentleman who enjoyed the full front page of Time magazine January 21, 1935, the magazine with Morgan's viewpoint, wherein it was stated that "he put three Presidents in their places." I know and you know he had no more to do with the putting of any President in his place than any of you.

It now begins to look like the American Legion has, through its leadership here, been inveigled into the Wall Street trap of favoring the bond issue plan for payment of the bonus. If they continue their program they will divide their forces and defeat the payment of the adjusted-service certificates. That is what is back of the program now to bring before Congress payment by a bond issue through the Vinson bill, and I know it and you know it.

The gentleman from New York [Mr. FISH] says the American Legion is representing the sentiment of the rank and file of ex-service men on this question. I challenge that statement. I ask for a poll of every American Legion post in the Nation, and I have no fear of what such a poll will show.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. McFARLANE. I yield to the gentleman from Kentucky.

Mr. MAY. I have already heard from most of the posts in my district, and they are 100 percent for the Patman bill and in favor of the inflation feature of it.

Mr. McFARLANE. Yes; and if any of you gentlemen have any doubt about that, just send a questionnaire or a letter back to the American Legion posts in your districts and you will find that they will repudiate the kind and character of leadership the American Legion has here today, just like they have repudiated, as fast and as quickly as they could, the leadership of the last several years in the national administration of the American Legion.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?
 Mr. McFARLANE. I yield to the gentleman from Texas.
 Mr. BLANTON. The gentleman's district in Texas adjoins mine. Is there a post in his district or a post in my district that is not in favor of the Patman bill 100 percent?

Mr. McFARLANE. No, sir; there is not. I am sure the gentleman knows the sentiment in his district as I know the sentiment in mine and as all of you Members know the sentiment in your districts. If you have any doubt about it, wire and ask them how they stand on these two bills. They do not know any other bill in the American Legion but the Patman bill H. R. 1, but the American Legion leadership has flatly turned its back on the resolution the national convention adopted at Miami last year. Let me read the resolution and the roll-call vote of their 1934 convention for the RECORD:

IMMEDIATE PAYMENT OF BALANCE DUE ON ADJUSTED-SERVICE CERTIFICATES

Whereas the immediate cash payment of the adjusted-service certificates will increase tremendously the purchasing power of millions of the consuming public, distributed uniformly throughout the nation, and will provide relief for the holders thereof who are in dire need and distress because of the present unfortunate economic conditions, and will lighten immeasurably the burden which cities, counties, and States are now required to carry for relief; and

Whereas the payment of said certificates will not create any additional debt (italics mine), but will discharge and retire an acknowledged contract obligation of the Government: Now, therefore, be it

Resolved, That since the Government of the United States is now definitely committed to the policy of spending additional sums of money for the purpose of hastening recovery from the present economic crisis, the American Legion recommends the immediate cash payment at face value of the adjusted-service certificates, with cancellation of interest accrued and refund of interest paid as a most effective means to that end.

ROLL-CALL VOTE

Following is the result of the roll-call vote on the resolution (no. 15) recommending the immediate payment of the adjusted-service certificates:

Department	Yes	No
Alabama	16	
Alaska	(¹)	
Arizona		11
Arkansas	17	
California	60	
Canada	6	
Colorado	3	11
Connecticut	4	12
Delaware	7	
District of Columbia	11	
Florida	11	4
France	3	4
Georgia	13	
Hawaii		7
Idaho	1	9
Illinois	77	
Indiana	35	
Iowa	36	
Italy	7	
Kansas	25	
Kentucky	20	
Louisiana	13	3
Maine	2	11
Maryland	12	
Massachusetts	42	
Mexico	(¹)	
Michigan	33	
Minnesota	29	
Mississippi	13	
Missouri	25	
Montana	11	
Nebraska	21	
Nevada	6	2
New Hampshire	11	
New Jersey	26	
New Mexico	(¹)	
New York		81
North Carolina	19	
North Dakota	13	
Ohio	48	
Oklahoma	31	
Oregon	15	
Panama	2	4
Pennsylvania	73	
Philippine Islands	(¹)	
Puerto Rico	8	
Rhode Island	11	
South Carolina	13	
South Dakota	15	
Tennessee	22	
Texas	31	
Utah	10	

¹ Not voting.

Department	Yes	No
Vermont		9
Virginia	3	12
Washington	21	
West Virginia	15	1
Wisconsin	(¹)	
Wyoming	32	
Spencer Eli Post, No. 1, Argentina	9	1
Mid Pacific Post, No. 1, Guam		
Havana Post, No. 1		1
Total	987	183

¹ Not voting.

Now, Mr. Chairman, is there any doubt left in the mind of anyone just what the last Legion national convention was trying to do when we read this clause: "Whereas the payment of said certificates will not create any additional debt." If the convention had favored payment through a bond issue, which is required under the bill they have had introduced, would not they have said something like this: "Whereas the payment of said certificates should be made by direct appropriation out of the Treasury which will require a bond issue", and so forth?

Mr. Chairman, there is no getting away from it, under this mandate of the Miami convention the leadership of the Legion has sold the rank and file of the ex-service man short again. The rank and file are entitled to know this.

Here is a statement issued by the national headquarters of the Legion the very minute they came to Washington:

In a determined move to take the adjusted-service certificate issue out of the dangerous realm of financial and political fantasies, the American Legion has introduced in Congress its own bill providing for immediate payment of the Government's debt to the World War veterans.

This statement is a direct slap at the Patman bill—the man who has made the fight from start to finish for the ex-service man on this question. They never did introduce a bill on this subject before. I wonder why they showed all this interest all at once for the benefit of the ex-service man.

They come up here now and try to drive a wedge between their bill and the bill that had the best chance of passing, H. R. 1. This bill would not increase taxes; it would not require a bond issue; it would not increase our national debt; it would not in any way unbalance the National Budget; and this bill would put new money in circulation Nation-wide and save more than \$74,000,000 per year interest that must be paid if these certificates are paid through a bond issue under the Vinson bill; and H. R. 1 will further save the people more than one and a half billion dollars, which is the amount that will be set aside by the Government to pay off these certificates in 1945.

These are big stakes, and the question is, What are you going to do about it?

Mr. LORD. Mr. Chairman, will the gentleman yield?

Mr. McFARLANE. I yield.

Mr. LORD. I have heard from the American Legion posts in my district and they are for the Vinson bill, and what they want most is the money, but they do not want inflation.

Mr. McFARLANE. I yielded for a question. Where is the gentleman from?

Mr. LORD. I am from New York State.

Mr. McFARLANE. New York is one of the 7 States of the Union out of the 48 that went to Miami and voted against any method of payment of the bonus. They do not want to pay the certificates at all. New York has always come down here and carried more out of the Treasury in the way of bonuses on war contracts and other war bonuses than any other State of the Union, I may say to the gentleman, and has always been on record as against the payment of the certificates.

Mr. ZIONCHECK. How about refund of taxes?

Mr. McFARLANE. Yes; and they have received more out of the Treasury in refunded taxes than any other State.

Mr. LORD. The Legion posts in my district are in favor of the payment of the bonus, but they want it paid in an orderly way and not by inflation.

Mr. HAINES. Mr. Chairman, will the gentleman yield?

Mr. McFARLANE. I yield.

Mr. HAINES. I asked the gentleman's colleague, our good friend the gentleman from Texas [Mr. PATMAN], what the additional annual indebtedness would be under the enactment of the Vinson bill, and I have not had an answer to that question. Is the gentleman prepared to give the figures?

Mr. McFARLANE. I have not that information accurately, but I would say that the average interest rate we are paying now on outstanding bonds is about 3½ percent; and if you figure that on \$2,200,000,000 over a period of 30 years, you will find that we have paid out annually \$74,000,000, or \$2,227,500,000, which is the bonus the Legion bill would give the big bankers.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. McFARLANE. I yield.

Mr. MAY. We now have twenty-eight and a half billion dollars of outstanding bonds bearing interest, with an annual interest charge of more than \$800,000,000; and when we pile up the \$4,000,000,000 for public works, plus the other appropriations that will come in amounting to about \$7,000,000,000, and then if we put two more billion dollars on top of that for this purpose, we will get to the point after a while where the bankers will refuse to buy our bonds and the market for bonds will go down, and they will be at a discount.

Mr. McFARLANE. I think we understand that very thoroughly, but I thank the gentleman for his contribution.

There is outstanding, as we all realize, more than \$28,000,000,000 of bonded indebtedness, bearing an interest rate of more than 3 percent. This bonded indebtedness is growing by leaps and bounds. The American Legion has gone on record as favoring the payment of these certificates without creating any additional debt. There is but one way of paying the balance due on the adjusted-service certificates without creating an additional debt, and that is through the issuance of new currency, as is provided in the bill H. R. 1.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. McFARLANE. I yield.

Mr. PATMAN. Is it not a fact that the Legion is sponsoring this bill on the theory that many of us are sponsoring it, that it will be a relief bill; but the way their bill is written, will it not be a bankers' relief bill, instead of a veterans' relief bill?

Mr. McFARLANE. Yes, sir; it is a bankers' bonus the way it is written by the Legion, and it is the first bill I have heard of the Legion coming in here and offering on this subject, and it is not in keeping with the mandate given to them at the Miami convention and is contrary to their expressed purpose.

Mr. Chairman, I do not wish to impugn the motives of anyone, for I concede to all honest and sincere motives in their views in opposing the payment of this just debt. I do wish, however, to call to your attention that if you will analyze the source of this opposition to the payment of the balance due the ex-service man on his adjusted-service certificate, you will find that in the main this opposition comes mainly from those who are primarily interested in the buying and selling of Government bonds. If the Government is going to borrow money for the payment of its debts, these people want these loans to be negotiated through the sale of bonds.

These individuals are trying to frighten the general public into believing that the issuance of certificates will involve so-called "printing-press money." But bonds are printed in the Government printing plant on the same presses that print our currency. By using currency instead of bonds to pay this debt the National Government will have to meet only the actual sum involved, with no extra charges for interest payments.

The National Economy League and other antiveteran groups have raised the cry of so-called "dangerous inflation", but the bill to pay these certificates through the issuance of Treasury notes contains a protective provision against uncontrolled inflation. It definitely provides for controlled expansion of the currency. If we are threatened with uncontrolled inflation, the Government will have the privilege of withdrawing from Federal Reserve banks and national

banks a sufficient amount of currency issued to them in return for Government bonds to prevent such inflation.

There is a definite precedent for the issuance of money in this fashion. Any Federal Reserve bank can obtain money from the Federal Government by making deposits in the form of Government obligations. They can deposit a million dollars in Government bonds and receive a million dollars in new money. The only cost to such Federal Reserve banks is the cost of printing, which is about 27 cents per thousand dollars. National banks are permitted to the extent of their capital stock to deposit with the Treasurer of the United States direct obligation to the Government and receive in return national-bank currency greenbacks. Such banks must deposit 5 percent of the money in a retirement fund. While the banks, both national and Federal Reserve, obtain the use of the money, they also get interest on the bonds deposited.

The veteran has a Government obligation payable January 1, 1945. We are asking that the veteran be permitted to deposit his obligation and receive new money in return for the remainder due him in the same way and in the same manner that national banks and Federal Reserve banks are now permitted to deposit Government obligations, payable in 1945 and receive new money in return for them.

In each case a Government obligation, payable in the future, is deposited to authorize the issuance of money. In each case a noncirculating Government obligation, or Government bond, is converted into circulating obligation money. The veteran will not continue to draw interest on the deposited obligation. In the case of a veteran the total indebtedness of the Nation will not be increased. In the case of the banks the total indebtedness of the Nation is increased. It costs our Government millions of dollars annually for interest on Government bonds held by banks, a source of profit that the bankers are anxious to keep. They oppose the issuance of currency because it will deny them the income they derive in the handling of bonds, and no doubt this is the real reason why we are having so much opposition at this time against the passage of H. R. 1, which provides a new currency for settling this just debt. [Applause.]

[Here the gavel fell.]

Mr. ARNOLD. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. HARLAN].

Mr. HARLAN. Mr. Chairman, at the close of three speeches, and the last stirring one against reciprocity, it would seem almost as if the arguments had been exhausted, but there is one issue that stands up. Do we want to adopt a system that favors one particular group, one particular industry, at the expense and enormous burden of other groups and industries, or do we want to protect the large groups and give them an even chance?

That is emphasized in this sugar proposition. We have slightly increased Cuba's import quota of sugar, and reduced tariff rates with other concessions that have increased our purchases from our island neighbor, but that has also increased the amount of goods bought by Cuba from our farmers—the pork farmer, the bean farmer, the potato farmer, thus sending to Cuba twice the amount of agricultural products as compared with the month before the reciprocity treaty went into effect and threefold compared with the same month the year before.

Are we justified in selecting one group and saying, "You shall have it all, and all the rest of the farmers be excluded"; shall this Government pick out a select group and give the market to them instead of looking to the benefit of all the farmers of the country?

Now, as to the hearings on these reciprocity treaties. Under the old system which we had, the men who were going to be benefited by the tariff preferment had all the hearings in the world. They knew when it was going to come up and could present all the arguments they had. The exporter had no chance at all. If we put an import duty on tapestry or on wines, exporters of shoes, paper, or refrigerators had no knowledge of it or how it was going to affect them. France would immediately adopt a retaliatory tariff, and as

in case of the Stutz Motor Co., it ruined the export automobile trade. The exporters knew nothing about it.

Talk about secrecy! It was worse than secret. They did not even have a chance, did not know it was going on. But under this new policy the Commission preparing treaties or contemplating them sends out to the press well in advance a complete list of every commodity which that country buys from this country and sells to it. Everyone is given notice—all of the exporters, and they all come in there and present their briefs and arguments if they are interested—not as in the old system, where an exporter could have his head cut off and know nothing about it. Here they have to know about it, whether he be an exporter or a manufacturer for home consumption.

Shall we continue to give a square deal to everybody or shall we play only to the favorites who have contributed to our campaign fund, and that is all there is to it.

Complaint is made, because we have granted the President power to negotiate these treaties that has just been stated, that this grant of power is without precedent. In 1794 Congress granted the President not only the power to regulate commerce but in his discretion to prevent altogether the exportation of goods from the United States. Four years later this power was modified by permitting the President to permit or deny exportations either to France or England at his discretion. And in 1910 the President made a proclamation declaring that France had ceased to violate neutral commerce but continuing to prohibit trade with England. This power of the President was later sanctioned by the Supreme Court of the United States. In 1915 the President was authorized to repeal tonnage duties against any national when such foreign nation discontinued discrimination against us.

Under the Tariff Act of 1890 President McKinley was authorized to take from the free list certain commodities and impose a tariff rate against specific nations, levying "unequal and unreasonable" duties against the United States. A great many treaties were negotiated under this act, and 10 agreements concluded. This act was attacked because of the President's delegation of legislative power, but was upheld by the Supreme Court in *Field against Clark*, One Hundred and Forty-third United States Reports, page 649.

Under the Dingley Act of 1897 the President was authorized to remove duties on importations when a similar agreement was obtained from the foreign countries, and many agreements were concluded under this power without the concurrence of the Senate. Again this treaty was litigated and sustained in the courts. Similarly in the acts of 1919, 1923, and 1930, clear delegation of power was granted, at least equal to the power provided in the last act of this Congress.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. TREADWAY. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. ARNOLD. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. TRUAX].

Mr. TRUAX. Mr. Chairman, I rise to refer to the bonus discussion that we heard a few moments ago. I understand that one of these so-called "bonus bills" has been labeled the "bankers' bonus bill", and I should like to inquire from my friend from Texas [Mr. McFARLANE] whether that be true?

Mr. McFARLANE. That is true.

Mr. TRUAX. Does that label apply to the Vinson bill?

Mr. McFARLANE. I think so; yes.

Mr. TRUAX. Then, for the benefit of my colleagues, I might say that last Sunday the author of the Patman bill, my distinguished colleague and friend from Texas, spoke to an audience of about 2,000 people in the city of Cleveland under the auspices of the Sweeney-Roosevelt League for Social Justice, and practically every person in that audience expressed himself as being heartily in favor of the Patman bonus bill. As a candidate for Congress at large in the State of Ohio it was my pleasure and privilege to be practically the only candidate in Congress from my State

in 1932 who came out openly and publicly in support of the so-called "Patman bonus bill." I supported that bill and talked for that bill in practically every county in Ohio in the May primaries and in the general election campaign in 1932. I did the same thing in the primaries in August 1934, and if there is any single Member here who has any doubt as to the wishes and sentiment of the people of Ohio, comprising a population of 7,000,000, I say to him that 95 per cent stand solidly back of the Patman bonus bill and are solidly opposed to this so-called "bankers' bonus bill."

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. TRUAX. Yes.

Mr. McFARLANE. When I spoke on January 10 I asked for a poll of the House of the new Members who had come here from districts where the bonus was an issue, desiring to know who were in favor of paying the bonus, and I also made the statement that every new Member of another body that I had heard of, which included most of them, had come here favoring the payment of the bonus. Does not that show the sentiment of the people of the country?

Mr. TRUAX. I think it does.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. TRUAX. Yes.

Mr. RICH. Not over half an hour ago I attended a conference with the legislative counsel of the American Legion, Mr. Taylor, and Mr. Kress, who was a member of the committee that drafted the resolution in Florida, on the committee with Mr. PATMAN, and while they did not say that the American Legion is against the Patman bill they did make the statement openly that the American Legion is in favor of the Vinson bill.

Mr. TRUAX. And I say to the gentleman from Pennsylvania, as I will say to the gentleman from New York [Mr. FISH], that the leaders of the American Legion do not speak for the rank and file of its membership. At least they do not in my State. Further, it was my pleasure and privilege to attend a number of district meetings of the American Legion posts in Ohio in 1933, and the sentiment was practically unanimous for the Patman bill. It is not only because of the authorship of this bill, because of the fact that our good friend Mr. PATMAN is known nationally as the author of the bill, but it is because of the fundamental monetary principles involved in the two bills. In other words, this other bill, and I say this without disparagement to my friend and colleague Mr. VINSON, differs from the Patman bill in principle. There is as much difference between the two bills as there is between night and day. The Vinson bill, already referred to as the "bankers' bonus bill", must provide for an authorization of bonds, tax-exempt bonds, which will be an additional burden saddled upon the American taxpayer. We hear a great deal of talk about inflation, and reasonable inflation, and how far we should go with inflation. Let me ask some questions. Whom will inflation hurt? Will it harm 95 percent of the American people who are without jobs, without income, without property? Will inflation hurt the American farmer who has been down on his knees for the past 12 years and is now endeavoring to get back on his feet? I wish you could come with me to Ohio and talk to the immense audiences of farmers and understand the sentiment that lies in their breasts for this bill, not only to help the American soldier, but to help the American farmer to get some money in the country. Do you think inflation will hurt that class of people?

Mr. ANDREWS of New York. Will the gentleman yield?

Mr. TRUAX. I yield.

Mr. ANDREWS of New York. It seems to me we have heard a great deal about what the American Legion wants and what the Veterans of Foreign Wars want. I am not criticizing the American Legion at all, because I belong to it, but I wonder if we ever stop to think about what the majority of the people want?

Mr. TRUAX. I am glad to answer that question. In my State I say that the majority of the people want this bill that provides for a new issue of currency to the extent of \$2,400,000,000.

Mr. McFARLANE. Will the gentleman yield?

Mr. TRUAX. I yield.

Mr. McFARLANE. In every State of the Union which passed upon a State bonus for the World War veterans, they overwhelmingly voted in favor of it, did they not?

Mr. TRUAX. That is true.

Mr. McFARLANE. That shows their sentiment on the matter.

Mr. PIERCE. Will the gentleman yield?

Mr. TRUAX. I yield.

Mr. PIERCE. What excuse is given by the powers that be why currency can not be issued against the nine billion of metal now in the Treasury, when we only have outstanding in currency something like five billion or a little more? Why must we keep double the amount of money that we have in paper money? I ask that of these gentlemen who are always against anything like inflation. Why is that?

Mr. TRUAX. I will answer the gentleman. It is because whenever we have fair and just inflation the national bankers of this country will lose the racket by which they have milked the American public for generations. In other words, this Congress ought to enact laws that will forever take away the racket of the American bankers and to restore to this Congress its constitutional privilege of issuing currency and regulating the value thereof.

Mr. PIERCE. Will the gentleman yield for another question?

Mr. TRUAX. I yield.

Mr. PIERCE. Why cannot we issue currency today against this metal, if it is there and free, and how much is free of the currency that is now outstanding?

Mr. TRUAX. As I understand it, this Government could issue \$20,000,000,000 of currency with the 40-percent gold reserve which we now have in the Treasury. This Government can do that provided this Congress will say that they shall do it.

Mr. BREWSTER. Will the gentleman yield?

Mr. TRUAX. I yield.

Mr. BREWSTER. Do I understand the gentleman is opposed to any bonus bill which does not carry inflationary provisions?

Mr. TRUAX. No. The gentleman does not understand any such thing. I would say to the gentleman further that I am 100 percent for the Patman bonus bill because it will be financed with new currency and not with a tax levied upon the people or by a further burdensome bond issue.

Mr. BREWSTER. Do I understand that if the gentleman could not have the Patman bill he would support the Vinson bill?

Mr. TRUAX. I will cross that bridge when I come to it, I will say to the gentleman. Now is not the time to compromise. Let the House pass the Patman bill and then it will be time enough to talk compromise. We think and we believe that we can pass the Patman bill in this House of Representatives. I was very glad today to hear the Chairman of the Ways and Means Committee and the ranking minority member of that committee assure us that there would be no attempt to gag the Membership upon the Patman bill or any other bill. I am especially glad to hear that, because I personally have voted against every gag rule that has been presented in this House, and I expect to vote against them every time they are offered on this floor.

Mr. DUNN of Pennsylvania. Will the gentleman yield?

Mr. TRUAX. I yield.

Mr. DUNN of Pennsylvania. In the year 1933 it was necessary to amend the constitution of the State of Pennsylvania to give the soldiers of that State a bonus. May I say to the gentleman that the vote which was given in behalf of the soldiers' bonus was tremendous, with all the opposition of the chamber of commerce? Therefore, that signifies that the people of the United States want the soldiers to get what rightly belongs to them.

Mr. TRUAX. The gentleman is absolutely right. They want them to get not only what belongs to them, but they want them to get new currency and thereby help not only the soldier but every business and every avenue of trade and

channel of commerce that deals with the soldiers. Not only that, but they want to see such legislation as the Frazier-Lemke bill passed, which will refinance every farm mortgage in this country at a rate of interest of 1½ percent instead of 6, 7, and 8 percent, which our farmers are paying today on land mortgages and as high as 36 percent upon the chattels on their farms and in their homes.

Mr. BREWSTER. Will the gentleman yield further?

Mr. TRUAX. I yield.

Mr. BREWSTER. Why is it that the gentleman picks particularly upon the bonus bill to insert inflationary provisions and not upon the \$4,000,000,000 bill which we passed the other day for relief?

Mr. TRUAX. I am not picking on any bill or any particular piece of legislation. For nearly 4 years I have been an ardent advocate and supporter of the Patman bonus bill, an advocate and supporter of the Frazier-Lemke bill, which proposes to refinance all of the farm mortgages in this country with new currency and not with further tax-exempt bond authorizations.

Mr. FOCHT. Will the gentleman yield?

Mr. TRUAX. I yield.

Mr. FOCHT. May I ask the gentleman why in a time of peace there is such a mighty accumulation of gold, gathered from the four corners of the earth and taken away from private individuals and deposited in the Treasury?

Mr. TRUAX. I will say I think that is one of the greatest acts of President Roosevelt, when he collected in the gold from the slimy vaults of Wall Street and brought it down here and put it in the Treasury of the United States, but I want him to go further. I want him to issue new currency. [Applause.]

Mr. FOCHT. That is what we want. What good is it down there? What good is it in the Treasury?

The CHAIRMAN. The time of the gentleman from Ohio [Mr. TRUAX] has expired.

Mr. ARNOLD. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. PATMAN].

WAYS AND MEANS COMMITTEE

Mr. PATMAN. Mr. Chairman, in my statement today I did not say anything that would in any way reflect upon the Chairman of the Ways and Means Committee or any member thereof. I thought I made that plain, but I understand one or two members of the committee did not so understand it; and I want to make it plain now that I am not impugning the motives of any member of that committee. They are all my friends, and I honor and respect each and every one of them. They are good men and they have performed their duties as they believed they should be performed. They are just as honest and sincere in their views as I am in mine. They are not on the opposite side of the issue; I believe most of them believe as I do. I am not fighting them and they are not fighting me. I want to make it absolutely clear that I think the gentleman from North Carolina [Mr. DOUGHTON] is one of the best and ablest Members of this House. I think he deserves lots of credit for the hard work he has performed in the interests of all the people. I also want to commend every member of that committee. I do not want to say anything—and I am sure that I have not—that is detrimental to any of them. I just want to make one thing absolutely plain—that I did express, and I again express, the hope this committee will seriously consider the bill they bring in, in order that nothing is done that would prevent a full and free expression from the Members of the House.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 2 minutes to the gentleman from Maine [Mr. BREWSTER].

Mr. BREWSTER. Mr. Chairman, in connection with the discussion of reciprocal trade treaties, it seems to me extremely important that gentlemen on both sides of the House should bear in mind the utter unfairness of comparisons as to any impetus given to our agricultural exports to Cuba during the preceding 6 months. Such figures are in no way a demonstration that the operation of this particular Cuban trade treaty is beneficial either to our agriculture or to our industry over a period of a full 12 months.

Citation of increased agricultural exports to Cuba in the past 6 months under the Cuban trade agreement is extremely misleading, unless it is at the same time pointed out that Cuba takes our agricultural products in the last 6 months of the year and sends her agricultural products to us in the first 6 months of the year, because of seasonal conditions. This was contemplated in the agreement in the lowering of the tariff barriers.

It will be necessary to know the extent of the imports of Cuban products into the United States during the winter months, when the tariff on potatoes and other vegetables has been cut by 50 percent, to appraise fully its effects.

All that we know today is that Cuban potatoes are being sold in the New York market, while Maine potato growers in Aroostook County are being offered 35 cents a barrel.

I am concerned particularly with potatoes, as I have previously reminded you; and the Cuban potatoes are beginning only now to enter the markets of New York, and could, under the 50-percent tariff cut, enter only after December 1, the period when Cuba comes into production.

I think the gentlemen in the executive departments of our Government who are furnishing these figures to demonstrate the advantage of the Cuban trade treaty to our agricultural interests should supplement it by information showing what we may reasonably expect during the remaining 6 months of the current year. Perhaps we should also like to know the effect of the Cuban treaty upon the revenues of our Government. [Applause.]

[Here the gavel fell.]

Mr. ARNOLD. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. KENNEY].

Mr. KENNEY. Mr. Chairman, interesting matters have been debated this afternoon; just recently, one of much importance. Animated discussion has been had as to whether, if a certain impressive bill is passed, payment for the obligation incurred shall be by the issuance of non-interest-bearing notes or by a further issuance of tax-exempt, interest-bearing bonds. I believe I have the solution of this problem and a compromise of the great dispute which shall be reiterated in the early future, but I am not going to refer to it any further this afternoon.

The question of greatest importance at the moment to the people of my district, I feel, and the one about which I wish to address you very briefly, is whether and how soon Congress will authorize the issuance of additional bonds to refinance the homes of many worthy people which are still in jeopardy in my district. Not only the home owners but public officials, pastors of churches, friends, and neighbors of the applicants for home loans have a vital concern that worthy people of my community who have been left out shall have an opportunity of refinancing their homes as soon as possible.

You may recall that it is now over 6 weeks since the Home Owners' Loan Corporation ceased operations, except for the purpose of taking care of those applications which reached the legal division. The order went out on November 16 that no other applications would be considered because funds were depleted.

Now, I have reason to believe that additional legislation will be recommended by the President for the relief of the distressed home owners, and it cannot come too quickly. It is my humble opinion that it is the most important to come before Congress, for the original law already has given greater benefit to the people, at least of my district, than any other measure passed by the Seventy-third Congress.

Mr. MONAGHAN. Mr. Chairman, will the gentleman yield?

Mr. KENNEY. I yield.

Mr. MONAGHAN. I wonder if the gentleman has had the experience in his district which I have had in mine: Many applicants for these loans have found that although they filed their application prior to others, that many of the applications filed later were granted and theirs were not.

Mr. KENNEY. Yes; that has been my experience; and it applies to my district as well as to the gentleman's district.

Mr. MONAGHAN. Does not the gentleman feel, particularly at this time when the weather of the country is extremely severe, that a great effort should be made by Congress to bring this type of legislation to speedy enactment?

Mr. KENNEY. Absolutely.

Mr. MONAGHAN. I wish at this point to read to my colleagues the telegram which I sent to the President on November 29, when the result of the action suspending title examinations became apparent to me. The body of the telegram is as follows:

Snow in Montana, hard winter anticipated, holiday spirit dampened by eminent loss of homes. Considerable dissatisfaction and undeserved hardships resulting from recent suspension of title examinations H. O. L. C. Urge order be changed to permit at least all applications filed previous to November 16 be prosecuted to final approval or disapproval.

The reply received is as follows:

MY DEAR MR. MONAGHAN: Your telegram of November 29, addressed to the President of the United States, has been referred to this office for acknowledgment.

We are very much interested in your comments concerning the activities of the Home Owners' Loan Corporation, but the situation is one over which we have no control. The present resources of this Corporation will be exhausted long before all the applications now on file can be handled. Under these circumstances it is not possible to further extend the benefits of the Corporation at this time.

Assuring you that we appreciate your spirit of cooperation and the expression of your views, I am,

Sincerely yours,

L. B. HAYES,

Assistant Secretary, Home Owners' Loan Corporation.

Every day I receive pleas from those threatened with foreclosure; pleas to do something and act quickly. I believe this situation is of sufficient urgency to demand the immediate attention of the Congress, and that, in connection with old-age pensions, unemployment insurance, child protection, the soldiers' bonus, and other measures of paramount importance. Such legislation is best designed to promote the security and peace of the Nation, and we must not delay its enactment.

Mr. KENNEY. It is my firm conviction that it is most important that Congress not curtail niggardly the amount of bonds that may be issued by the Corporation in the future. It has been said that recommendation will be made for an additional issue of bonds ranging from \$1,000,000,000 to \$1,500,000,000. Our stand should be for the authorization of \$2,000,000,000 of additional bonds to insure the financing of all worthy cases.

If the total authorized is not required the bonds will not be issued. Only yesterday in the R. F. C. bill authorization was given for the lending of \$75,000,000 to insurance companies, although a gentleman of the committee said that there appeared no good reason why the amount of \$50,000,000 should be increased. Certainly we should now once and for all provide for the consideration of all applications of home loans by giving the Corporation authority to issue bonds sufficient for the purpose, and not as has happened, deprive some of our people of the advantages granted to others and cause the anxiety and worry again which has been occasioned by the cessation of the activities of the Home Loan Corporation.

As I understand it, about 51 percent of the applications have already been passed upon. If that is so, we will require in the neighborhood of \$2,000,000,000 of bonds in order to enable all worthy applicants to have their cases considered and financed.

Mark you, there have been many rejections. Some of these rejections will come back under the new legislation. Many will be entitled to consideration that have been denied it. Some were rejected because it was felt that their income was not sufficient to meet the payments required because of unemployment, and they being now in employment are in a position to have their application reconsidered. Other home owners were prevented from submitting their applications because, when they applied for their loans, they were handed certain blank forms which they were told should be filled out and executed before consideration would be given.

They had to go out and gather a great deal of data, and before they could return with the required information the Home Loan offices suspended activities.

Besides, you will find many applications were rejected because the property was used in part for business purposes. The policy of the Corporation in the beginning was liberal, but tightened up and became conservative. Thrifty citizens in my district operating a business under a lease found it possible to purchase a plot of land and build upon it a place of business with another store and home connected. The Corporation held, in a great many such cases harshly, that business constituted the prominent feature of the premises, and the owner was denied a loan and his home along with his business was placed in jeopardy.

We should write into the new legislation adequate provisions, or at least exercise our influence with the Corporation to the end that where property is occupied as a home by the owner, even though in connection with a business, the Home Owners' Loan Corporation will still recognize it as a home. There is no legal authority for the Corporation to reject an application from such an owner at the present time, although the Corporation has done so in spite of the fact that it was the policy of Congress that such type of applicant should not be denied the advantages of the act.

When the new legislation is enacted, and I hope it will come out as quickly as possible, it is to be hoped that in districts like mine, where men have built their homes around their business, that they will be protected and given the benefit of the law that was intended for them as much as for the home owner who occupied his home unconnected with his business enterprise. Most of our home owners have struggled years for their homes, and I want to preserve them.

There is another circumstance that I would like to mention, and that is that I feel we ought to have the management and operation of the Corporation and all its branches in sympathetic hands. Applicants should have the sympathy and courtesy of every official and employee. To insure this the Corporation should, perhaps, adopt a policy like that of the Department of Justice, which provides for the investigation of its investigators. We ought to have men call at the various offices to see that our distressed home owners who go there are given the sympathetic courtesy that they deserve. Complaints have come in that applicants do not receive the sympathy and the courtesy to which they are entitled, and I think if we did recommend to the Home Owners' Loan Corporation some such policy, whereby the treatment accorded to applicants could be readily ascertained, we would have a better situation all around and we would know that our people in distress and in need of sympathy would get every consideration that the Congress intended to give the distressed home owners of our respective districts. [Applause.]

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 20 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, last Sunday many of our metropolitan papers carried comments, and, in some cases, rather elaborate reviews of Problems of the New Cuba, being a report of the Commission on Cuban Affairs. This report having been made public only last week.

In view of the great interest the Members of this House now have in matters pertaining to reciprocal trade agreements and particularly the one ratified with Cuba only a few months ago, I desire to make a few observations in behalf of the sugar-consuming public of this Nation, and all with relation to some of the remarks or statements contained in this very illuminating 500-page report. Furthermore, the statements contained in this report have a great bearing with reference to our relation with the Philippine Islands as well as with Hawaii and Puerto Rico. The Cuban trade treaty being one which may be patterned after, to a very large extent, in the drawing of other trade treaties under the reciprocal powers granted to the President during the last Congress, all makes the report of the Cuban commission only the more interesting at this time.

Only last week our brilliant, genial, and handsome Under Secretary of Agriculture, Mr. Tugwell, in dealing with the

question of "the good life for the individual being the end and purpose of civilization", and in discussing some of our national characteristics, made this observation: that in "1877 we realized that our 10-year attempt to dictate impossible terms of a social and political revolution in the South, under the policies of the reconstruction era, had largely failed. So we ceased our attempt and, though we did not withdraw publicly from our constitutional position, the South was permitted in practice to establish its own regional, political, and social institutions. So, in 1898, under the stimulus of an almost hysterical demand for colonial expansion by big business, we embarked on a course of political imperialism in the West Indies and the Pacific Ocean. "Today", Mr. Tugwell says, "finds us recoiling from the naval and political consequences of this policy, and while we shall never admit that our colonial escapade was either wrong or unwise, I believe that in practice we shall rapidly withdraw our sovereignty and responsibility for defense from distant lands inhabited by peoples who share neither our blood, our language, our ideas, nor our institutions, and who have no desire to do so." Commenting further, Mr. Tugwell makes this most interesting observation that "for these reasons I feel that our industrial leaders who keep down production and reduce employment are doomed to be pushed aside, good-naturedly but ruthlessly, by the American people."

The membership of this important Commission on Cuban Affairs is made up in part of our own Milburn L. Wilson, Assistant Secretary of Agriculture, and Dr. Ernest Gruening, formerly editor of the Nation, and now director of the recently created Division of Territories and Island Possessions of the Interior Department. Therefore, a report in which these two gentlemen concur should be of considerable importance to the Membership of this House, particularly when it deals with the economic, social, and political affairs of a foreign republic like Cuba, and a subject so sweet to our people as that of sugar.

Cuba is the sugar bowl of the Western Hemisphere. The people of the United States consume some 6,500,000 tons, more or less, out of a total world crop of about 25,200,000 tons of sugar. Therefore, it is readily seen that our sugar consumption is of vast importance to our people. To realize just how important this sugar question is to your household, go home and tell your wives to eliminate sugar in its every form from your table for just 1 week and see what will happen in your household.

It is quite exhilarating to have the information which this report gives come to us directly from a commission of this type rather than depend upon the biased statements of people engaged in the industry either in Cuba or in some branch of the cane or beet industry in the States. This report says:

When the industry began to revive in 1904 under the aegis of American reciprocity there were only 173 mills grinding, with a total output of 1,040,228 tons. * * * By 1914 Cuba was producing 2,597,732 tons. * * * In 1918 there was a harvest of 4,009,834 tons in mills, averaging 140,000 bags.

The report on pages 222 and 223 further states that—

Sugar rose to 6 cents for a time during 1923.

And—

On this basis most of the large American companies and some others proceeded to make extensive new plantings and additions to plant, which resulted in a crop of 5,189,346 tons in 1925.

Commenting further, we find on page 228 of the report this statement:

It is difficult to say that more mills are actually now under the control of banks than in 1927. It is believed that many which are not directly operated by the banks have incurred such indebtedness that their independence is menaced. At any rate, bank ownership or operation is a striking feature of the present situation. Nine mills are controlled by the National City Bank, eight of them through the General Sugar Estates, Inc. The Royal Bank of Canada operates an even larger number of mills, most of them through the Sugar Plantations Operating Co. * * * The Chase National Bank of New York, in addition to its interest in the new Atlantic & Gulf Co. and in Punta Alegre, has three mills on its hands. Other bank-owned mills include Macareno, largely the property of the National Shawmut Bank of Boston, and Cavadonga, in which the Canadian Bank of Commerce has a one-third interest. The American-owned mills in the strongest posi-

tion financially are those owned outright by American refineries or by holding companies to which refineries belong.

We even find from the report that Armour & Co. acquired two mills in the course of collecting fertilizer accounts. Thus we now begin to comprehend what Mr. Tugwell says when he speaks of big business, political, and dollar imperialism.

Only a few months ago this House passed the Jones-Costigan sugar bill, which carried provisions designed for the purpose of settling in part the debt which some advocates thereof claimed this country owed to Cuba toward the solution of her social, economic, and political problems. It was contended we should pass that bill in order to guarantee Cuba certain rights to our sugar market to the end that revolution might be prevented and thus make it unnecessary for us to intervene in the political affairs of that Republic. Shortly after the passage of this sugar act, all of which was largely done in response to a special sugar message addressed to this House by the President of the United States, there was consummated with Cuba what is now known as the "reciprocal trade agreement" between the United States and Cuba, signed August 24, 1934.

We did not stop there, according to the report of this Commission. From a perusal of its pages we find—

The fundamental obstacle to good relations between Cuba and the United States is the wide-spread belief in Cuba that the American State Department attempts to make and unmake governments, and that the present disturbed situation is an outgrowth of a plan for provisional government which Washington induced the Cubans to accept.

The report is here referring to the energetic activities of Mr. Welles of our State Department, and his alleged participation in the making and unmaking of the Grau and Mendieta governments.

Under the Jones-Costigan Act amending the A. A. A. and the rules and regulations promulgated for the administration thereof, we find the production of sugar—a nonsurplus crop in the States—is now materially restricted. We find the people of our land who desire to invest their money and savings in new machinery and building for the purpose of this highly important food can no longer do so because it is not possible to secure a sales quota permitting them to sell sugar in this country. We find our farmers, who have been burdened with an overproduction, due to underconsumption of certain food crops, can no longer devote their acres to this nonsurplus sugar crop. We find thousands of our people on welfare relief because they are deprived from working in the diversified industry which is needed to carry on the production of sugar. We find that while our farmers produced some 1,756,000 tons of sugar in the year 1933 they are now restricted to about 1,550,000 tons for 1935, while we are bringing into this country from Cuba annually approximately 296,000,000 hours of labor in the form of sugar, and, which, valued at 40 cents per hour, would amount to about \$118,000,000. The expansion of the domestic beet-sugar industry has been stopped, production has been frozen from a practical standpoint. Many mills which are in good operating condition are unable to run on account of no sales quota being allotted to them. Farmers operating within the vicinity of those mills are prohibited from growing beets either under benefit payments or through the usual plan of taking a chance on the market that may obtain for sugar, just as they chance the market for other crops.

Those who proposed and supported the Sugar Act, the reduction in duty, and the increased benefits to the large banking corporations controlling the sugar industry of Cuba, and to which the benefits taken away from the American farmer, are now flowing, may claim, among other things, the following:

First. That the American beet grower has been saved from the Philippine production of sugar through quota restrictions imposed thereon.

Second. That the cane and beet grower of the continental United States are now fully compensated through the receiving of the benefit payments.

Third. That Cuba is now purchasing a great amount of goods she did not purchase prior to the enactment of the Jones bill. That through her increased purchasing power

we are selling a great amount of farm goods such as pork, cooking oils and fats, automobiles, textile goods, and many other items produced on American farms and in our factories.

Fourth. That it is better, generally, for us to let the large banking institutions of New York produce our sugar in Cuba than it is to have our farmers here at home diversify their crops, place sugar beets in their crop-rotating scheme, shift acreage away from crops of which we now produce a surplus into this crop which we import to such a great extent; and altogether, deprive our local industries, transportation lines, and factory workers of their privilege to furnish us this highly important food item.

Fifth. That we owed a political and economic debt to Cuba which we should pay through taking steps which have been taken in the placing of sugar on a quota basis, reducing the tariff, and ratifying the new Reciprocal Trade Treaty.

Certainly, after listening to that most unusual plea presented from the floor of this House only a few days ago wherein Mr. PEDRO GUEVARA, Commissioner for the Filipino people, so clearly stated his case, we do not now feel the Philippine sugar question is out of our way. Would those in the majority claim we owe greater allegiance to the large banks operating in the island of Cuba than to the Philippine people? I would only call your attention to the disastrous effects on the sugar market caused by the activities of those commission merchants and sugar brokers who deal in sugar from the Philippine Islands and all since the taking effect of the Jones Sugar Act. No informed man will claim we have solved the Philippine sugar problem through the passage of the sugar bill and the independence bill. I say we have not.

Sugar-beet farmers of the United States, to the extent of thousands of growers, are not permitted to grow sugar beets on account of the small quota allowed in the bill. Of course, those who are granted a monopoly for the growing of beets to a very large extent feel they have been or will be treated fairly well until the price parity reaches a point where benefit payments based on parity can no longer be made, or until the law expires in 1937.

It is true Cuba is now purchasing more goods from us insofar as dollar value is concerned. Up to date I do not believe we have been furnished with the tonnage values, which, after all, is the yardstick for measuring the acres of land which are represented by the food products we ship to Cuba. But let us see how that purchasing power is arrived at and who is paying for the increased purchases:

Only a short time ago Cuba was selling sugar delivered at New York for the price of 57 cents up to 65 cents per 100 pounds. Today's paper carries the quotation of \$1.90 per 100 pounds f. o. b. New York, a difference of \$1.25 to \$1.33 per hundred pounds. Now just what does that mean on the basis of the importations of sugar coming in from Cuba this year, based on the allotment which we have given to Cuba? Thirty-seven million one hundred and forty thousand four hundred and forty bags of sugar at an increased value of \$1.25 per hundred amounts to \$46,425,550 and represents an increase in the price of sugar the American consumer is paying to Cuba with which to buy our goods and the pork and lard from our corn- and hog-growing areas. Furthermore, we are short in our collection of duties in the sum of, roughly, \$1.10 per hundred pounds, or, in round figures, \$40,000,000. Again let me repeat that this importation of sugar is equivalent to 296,000,000 hours of labor, which, valued at 40 cents per hour—a reasonable code wage—amounts to \$118,000,000.

Insofar as the exportation to Cuba of automobiles is concerned, we find the commission report above referred to states on page 437 "there are 17,728 ordinary automobiles in Cuba, only half of which are private cars." In one beet-growing State alone, Colorado, we find there are 266,491 cars now registered, while in Michigan, with about one-half of the population living in cities, we find a registration of 1,077,209. Anyone informed with reference to the living conditions and standards of the Cuban people, the economic

imperialism which governs there, the exploitation of labor, the absentee ownership, and the refusal of large corporate sugar plantation operators to permit the field workers (colonos) to grow the food they consume rather than purchase it from plantation-operated stores and commissaries, so organized as to take from the worker practically everything paid to him in the form of wages, knows the mass of the people in Cuba cannot purchase automobiles. Almost every kind of an economic lash that can be designed is used against the worker (colono) to the end that the benefits of his labor will all flow to the mill operator. This practice has gone on through the years. How can any sane man expect the farmer of this country to compete with a system of that kind? Yet, it is by using a slave yardstick of this nature, the opponents of a continental United States sugar industry condemn the efficiency of the American farmer in the production of sugar beets and sugar cane. There is no sense or justice or reason in the statement often made from this floor that the sugar industry of this country is inefficient, necessarily expensive, and should not be permitted to expand. If it is the desire of those here to have the American farmer placed on the same standard of living as the Cuban farmer, then you could produce sugar in this country and sell it profitably—as profitably as that sold in Cuba—without any tariff protection. The advantages of producing sugar in Cuba versus the United States insofar as the operator is concerned, rests almost entirely in the burden imposed upon the backs of the agricultural worker. In Cuba, pay to the agricultural worker is based on the irreducible minimum required for subsistence. In the United States the price paid for beets is based upon the standard of living for the American farmer.

We find from the report of the Commission that the Cuban people are sore and tired of the exploitation carried on in the island by the large banking institutions of New York and Boston and under the sanction of our Congress, our State Department, and all against the interests of the real Cuban people who have been exploited for the past 30 years. The Commission calls for a breaking up of the great sugar estates, "a land policy under which the Cuban Government would acquire land for the purpose of developing small holdings" so the real Cuban people may again return to their own production largely of the food, clothing, and shelter which they consume; "the development of a program of diversification", "the establishment of an agricultural bank to encourage diversification and local cooperative associations." In fact, now that Cuba has found there is no full life in commercial exploitation of her natural resources, her people and her industries by the large banks of our country, she is asking that we cease and let her go about her own peaceful way in the solution of her social, economic, and political problems. The Commission goes so far as to say:

The recent change in the commercial policy of the United States may tend to resurrect the old economic and political system which the revolution attempted to overthrow.

Mr. Chairman, in view of the fact that this House will have before it many problems which deal with Cuba, Puerto Rico, statehood for Hawaii, reconsideration of Philippine independence, and amendments to the A. A. A., all of which will have a very heavy sugar coat, those Members particularly interested in sugar should make a close study of this far-reaching and comprehensive report.

It is interesting to note the Commission is very frank in its condemnation of our State Department for having refused recognition of the Grau government—following the revolution—for 4 months, although it did recognize the present Mendieta government only 5 days after it took office. Our attention is called to the fact the Cuban people feel the present government will stay in office only so long as it enjoys American favor. The Commission says:

The conclusion cannot be avoided, however, that the interference of the United States in an internal revolutionary struggle has been a factor in creating Cuba's present situation.

Mr. Chairman, sugar has many times changed the course of empire. At this very moment the social, political, and

economic welfare of the people of Cuba, Puerto Rico, and Philippine Islands are almost entirely dependent on the sugar policy of the United States. This sugar problem is before this House today. It will be here tomorrow. Sugar cannot be removed from politics so long as it is as common in our diet as is bread. Therefore, the obligation rests upon this House to have some part of its Membership at all times fully informed on the sugar situation at home and abroad.

At some time in the future this country will be forced to either draw a much larger share of its sugar from the Philippines or from the beet fields of the United States, or be a party to keeping the Cuban people in the economic and political bondage which we have encouraged and supported the past 30 years. [Applause.]

Mr. ARNOLD. Mr. Chairman, I yield 10 minutes to the gentleman from Oklahoma [Mr. FERGUSON].

Mr. FERGUSON. Mr. Chairman, before election to this House on November 4 I never held a public office, so I can speak more or less as one of the people back home. May I say that I had been convinced by a number of years of reading the newspapers that the reason the activities of the House were limited and curtailed was due to the fact that the Members were incompetent and incapable of functioning. May I say that after association with the Members of this House I feel that this committee is capable of writing the legislation of the Nation. I think when it has been allowed to function on the bills we have before us this session it has functioned very well. We have had big items that we have considered here and big bills which we have passed and they have been passed in a very short time; then we have days like this when we spend our time expressing our views, not in the consideration of legislation but just expressing ideas. First we passed the \$4,800,000,000 appropriation bill, which was put through under very rigid rules. I was very much disappointed that I had to withdraw from the Democratic caucus in order to keep from voting for the gag rule under which this bill passed. However, I voted for the bill because I hope it will help relieve unemployment.

After that we took up consideration of a Liberty bond act and the amendments thereto. In passing this bill I think we shaped the financial policy of this Nation for the next 20 years, and we passed that act as I remember it in a session of 1 day. According to the little hearings that came along with the act, after adopting the amendments we increased the authority to issue long-term, tax-exempt securities by \$11,525,000,000. That was brought in here, and we were told it was an emergency measure because they only had \$400,000,000 more short-term securities that could be issued and \$2,500,000,000 more of bonds. However, in reality they could have issued eight and one-half billion dollars more in short-term securities, and that surely would have taken care of the finances of the Nation until this policy could have been given at least fair consideration. By fixing a revolving fund of \$25,000,000,000 any fair-minded person realizes that this will probably become the fixed debt of this Nation and will continue to be right at that sum until we change the law.

This means that almost \$1,000,000,000 in interest is going to be fastened on the taxpayers of the country from now on. Is this House going to face the situation that we have a certain limited income of two billion a year and that we either must devise some means of providing funds for these expenditures or not appropriate the money. If you are not in favor of financing the measures, let us not appropriate the money. To continue on with a policy we know is wrong, to increase the bonded indebtedness of this country, to increase the tax load and the interest debt every year is wrong; and when this House has an opportunity to vote on a change in the financial set-up that will let us get away from this idea of increasing the bonded indebtedness and vote on that as a clear-cut principle, it is going to change the policy.

Mr. ARNOLD. Mr. Chairman, will the gentleman yield? Mr. FERGUSON. Yes.

Mr. ARNOLD. The gentleman evidently understands, does he not, that bonds are only issued and sold by the

Treasury Department when it is necessary to raise the money that the Congress appropriates.

Mr. FERGUSON. Yes.

Mr. ARNOLD. So the fault is not in the bond issue, but in the other measures where we vote the money.

Mr. FERGUSON. In the making of the appropriations, yes; but this paves the way for such appropriations. It fixes a way to finance such appropriations in the future and fixes the policy of the Nation as to how we are to finance future appropriations.

Mr. ARNOLD. The gentleman also understands, does he not, we cannot appropriate money unless there is substantive law justifying such appropriations? So you have got to go back to the substantive law for which the appropriation is made to carry this into effect.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. FERGUSON. I yield.

Mr. BOILEAU. Is it not a fact that the bill we passed the other day, with one afternoon's consideration, definitely fixes the policy of this Government with respect to issuing tax-exempt securities and gave the Treasury the right to issue such securities.

Mr. FERGUSON. At the instruction of Congress, of course.

Mr. BOILEAU. Yes; but the policy of issuing tax-exempt securities was definitely outlined in that bill.

Mr. FERGUSON. I think for the next 20 years.

Mr. BOILEAU. I agree with the gentleman.

Mr. FERGUSON. Unless the House has a chance to vote on it as a definite principle.

Then, yesterday, we passed another bill, and, understand, I am not criticizing these measures. I am just trying to point out the principles involved.

I tried to offer an amendment to that measure which provided—

Loans may be made to any institution now or hereafter established financing principally the sale of electrical plumbing or air-conditioning appliances or equipment, both urban and rural.

This was to finance the sale of electrical appliances, and I tried to amend that and insert "to finance the sale of farm equipment." This would have just as much justification in the bill.

I am not a lawyer, but I think anyone can see that if General Electric or any other manufacturer of electric appliances desires to set up a finance company, its agents can sell electric refrigerators all over the United States and take the paper of the individuals who buy these electrical refrigerators, put it into the finance company, and the finance company can then go to the Reconstruction Finance Corporation and borrow the money. If we are going to do this for electrical appliances, we have lots of "broke" implement merchants in my district and we have plenty of farmers who do not have any machinery to carry on with, and this would certainly be a worthy addition to the measure. Why should electrical appliances receive preference in this bill? I do not have any power lines in my district. There are not any power lines in Oklahoma carrying power to the farmers, but we hear, as a national idea, electrification of the farm. This is fine and I hope it is carried out all over the Nation. We are all for it, but until it is carried out we would like to have the actual necessities out in our district taken care of as well as the vision of some men who want to electrify the Nation through the sale of these appliances.

This bill we passed yesterday broadened the powers of the Reconstruction Finance Corporation. We changed the wording to give them more leeway in lending money to industry. I think it is the finest measure that Congress has passed. Undoubtedly the banks of this country are putting their deposits in Government securities in preference to making loans. I do not know anything about city banking but I happen to be a director of a little country bank, and I know that after being pounded by the examiners to get our securities in something we could cash overnight we finally went out and collected a good percentage of the money, and today the only safe investment we hear all the time is Government bonds. As long as we have the present banking system and

the present Government policy that encourages the concentration of the potential credit in tax-exempt Government securities, private industry is going to lack sufficient credit to stimulate resumption of activity and expansion. [Applause.]

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 15 minutes to the gentleman from Minnesota [Mr. KVALE].

Mr. KVALE. Mr. Chairman, I ask unanimous consent that the Clerk read a short newspaper article in my time.

The CHAIRMAN. Without objection, the Clerk will read. The Clerk read as follows:

SPOLLS SYSTEM WOULD END IN DICTATORSHIP—DRIVE TO RAID RELIEF AND OTHER AGENCIES SURE WAY TO UNDERMINE DEMOCRACY

By Elliott Thurston

It would be hard to overstate the importance of the issue raised by the Congressmen who are threatening to harass and cripple Government relief and other agencies in order to force these agencies to surrender all control over appointments. Such a drive as that now launched by House Democrats would, if successful, be the surest, quickest way, not only to wreck the new deal, but to undermine a democratic form of government.

One reason why Fascists, Socialists, and Communists alike predict the ultimate downfall of democracy is that democracy is sure to crash when administration of large and difficult affairs falls into the hands of incompetent political camp followers and job hunters. The British long ago foresaw this, as they have foreseen so many other things which are only just beginning to be understood on this side of the Atlantic. The British civil service, without being by any means perfect, is nevertheless a model. It provides a reasonable guaranty that public affairs will be managed competently and with necessary continuity regardless of the political administrations which come and go.

More than ever today it is imperative for the United States to establish a real civil service, free from the influence of politics and covering far more important offices than now come under the rules. For as the Federal Government expands and assumes control over more and more of the affairs of the Nation, the administrative problem becomes at once the most vital.

Bad laws can be largely mitigated by good administration. But the best of laws are bound to prove ruinous when applied by incompetent administrators. We have had many examples of this. The Securities Act has proved an unworkable act, but able administration has done much—all that is possible short of amendment of the act—to make it sane and workable. The Farm Loan System under previous administrations was sound enough legislation, but it was literally wrecked by the very kind of politics which the House Democrats now want to play with Federal relief agencies like the Home Owners' Loan Corporation, the Reconstruction Finance Corporation, and the Public Works Administration. The Farm Loan System was finally salvaged from the politicians, but only after a deadly struggle.

The present drive by House Democrats is amazingly brazen. In normal times it would deserve and receive adequate public attention—and be squelched by the force of decent public opinion. It aims to raid relief agencies so that politicians will fill jobs now held by men chosen for experience, merit, and ability. The H. O. L. C. and the R. F. C., for example, could soon be destroyed if incompetent politicians were to replace trained, experienced examiners and appraisers—and these are the jobs for which the politicians are now hungering.

In the H. O. L. C., for instance, the appraiser is a key man. Largely on his expert judgment rests the question of whether the Government is to make good loans or bad loans—whether money is to be thrown away or soundly used. If time-serving politicians are to get these highly important jobs, it follows inevitably that public funds will be squandered and used to line the pockets of favorites.

The same is equally true of R. F. C. examiners and experts. They pass on loans, on appraisals. The work requires high intelligence, experience, and impartiality. It is no job for the political hanger-on. If this work is to go under the rule of political favoritism, if money is to be loaned to pay political debts or buy political support, then the result is all too obvious. That way lies the downfall not merely of the administration but of democracy itself.

Why President Roosevelt tolerates the unblushing spoilsmen like Mr. Farley and, at the same time, supports and appeals for higher standards of public service is an eternal mystery of his best friends and supporters—Senator Norris, for example. The result is a wholly inconsistent mixture of good and bad administration. That is, a few relief and administrative agencies have been free from the spoilsmen, at least so far as selection of trained technical and expert personnel is concerned. Others have been delivered over body and soul to Mr. Farley. As soon as some of the well-run agencies get rid of incompetents they turn up overnight on the pay rolls of other agencies.

The political demoralization and corruption of public service is no new phenomenon, Heaven knows, but it is more serious than ever today, because the Government has undertaken to run more of the country's business than ever before. Problems of such magnitude and complexity are involved as to tax the best brains available. Management of the enormous affairs already taken under the wing of the Government is going to be difficult enough without turning it over to job hunters who are sure in the end to destroy themselves, if they do not destroy this form of government.

Nothing would do more to cheer those who want to fasten iron dictatorship upon this country than to turn over administration to certain demoralization from which the only escape would be to transfer management to a Stalin, a Hitler, or a Mussolini.

Mr. KVALE. Now, Mr. Chairman, in presenting that article for the thoughtful attention of Members of this body I know that I am going to subject myself to the criticism that I am mixing into a fight that I have no proper business to be mixed up in.

But, Mr. Chairman, I do not feel that the argument now in progress, being heard both in the caucus chamber and aired in the newspapers, is really purely a partisan question. While I do not subscribe to every word it contains, especially as it rather severely criticizes some individuals who are Members of Congress, it is to present the other side of the argument that I offer the article, and I hope it will receive serious thought.

Nearly every day we are considering new agencies, new set-ups, changing the course of the governmental ship. We are establishing agencies which are going to continue in operation under permanent law. It is my only interest to see that with the creation of these agencies we set up governmental establishments which will be efficient, enduring, and economical.

This argument, or problem, goes far beyond the lines of party organization or of partisan democracy. Every public servant should have an interest in it, regardless of party. Every present or potential employee of such agencies should be properly interested. Each taxpayer certainly should be interested. And, last, but far from least, all who hope to be served by these various agencies or who will be affected by their operation should agree to such a viewpoint.

I am not a party Democrat, although I can compare my record in this body and in political campaigns dating back to the 1930 election as a supporter of the President and the new deal with that of the great majority upon that side of the aisle. I am not a party Republican, so surely I cannot be accused of political motives in these remarks. I am interested only in seeing an efficient, continuing administration of the agencies which are being set up and in reorganizations of existing agencies which are being effected to put into operation the many laudable reforms of the new deal. And I see danger ahead.

If we stretch our imagination sufficiently, perhaps we can conceive a comparable situation and bring it right close to home. Maybe we can imagine that in the next general election every Member of this body now holding office will be swept from that office and an entirely new Membership enter into this House to serve for 2 years.

Imagine how inefficient such a body would be, how helpless it would be to continue to function, if it were not that there would be a continuing group of experts, expert assistants in the Committee on Appropriations—already referred to earlier in the day's proceedings—expert technical and clerical aids in the Committee on Ways and Means, experts in my own Military Affairs Committee, an expert Parliamentarian like Lewis Deschler, who sits by the Speaker and advises him.

That same situation obtains in our governmental structure. We are drifting away from the civil-service idea of protecting efficient people and seeing to it that we have continuing organizations of efficient men and women.

We do not need to go as far as does the British career system, which protects its employees to the topmost office, yet I repeat that we are tending to get away from the realization of the necessity to good government of having a system based upon merit.

If the Democratic administratively responsible people have before them an efficient Republican and efficient Democrat, both applicants for the same vacancy, I say, go ahead and hire the efficient Democrat, and to that extent be guided by the spoils system, but if you are faced with an inefficient Democrat and an efficient applicant, then take the efficient man, whether he be a Republican or a member of some other party, in the interest of good government. I can say that without any feeling of partisanship in the matter at all. Who should quarrel with it at all?

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Does the gentleman know that already in several departments Republicans are holding practically all of the key positions, to the exclusion of Democrats at this time, and which Republicans are giving evidence of a lack of sympathy with the purposes of the new deal?

Mr. KVALE. That does not disturb me. There may be reasons why that should be. If they are efficient, I would not quarrel with that, as an American citizen, regardless of partisan interest.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. KVALE. Yes.

Mr. PATMAN. I have not been able to get anyone a position that could not show qualifications for the specific job. In fact, it seems to me that they are requiring experts in all these positions. Does the gentleman know of a single case that that situation applied to?

Mr. KVALE. I prefer not to discuss individual cases. I could give the gentleman individual cases.

Mr. PATMAN. Does the gentleman know of one case where an incompetent person was accepted because he was a Democrat?

Mr. KVALE. Oh, the gentleman has been here too long to want to bring personalities or individuals into a discussion of this kind, and I may deserve his criticism. But I have not the time to give him a detailed reply, and beg his leave to continue.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. KVALE. Yes.

Mr. BOILEAU. I have here an article from the Wausau Pilot, a weekly newspaper issued in my home town. That paper contains extracts from the first issue of the Central Wisconsin, a newspaper that issued its first number on April 22, 1857.

There are two items in that issue of April 22, 1857, that I think are pertinent at this time. One is to the effect that a band of Sioux warriors lately massacred 5 families and some 40 persons about 40 miles northwest of Fort Dodge, Iowa, and under that item there is one to the effect that a Washington letter writer says that the President and Cabinet had decided to turn out officeholders generally on the expiration of their commissions.

It seems to me rather significant that the wholesale turning out of officeholders and an account of an Indian massacre should appear in the same issue of a newspaper. Such acts might have been in keeping with those times, but today—

Mr. KVALE. It seems to me to suggest that the gentleman from Wisconsin has been preparing himself for some remarks upon this same subject, and I thank him for his interesting recital of the items contained in his clipping.

Mr. ZIONCHECK. Mr. Chairman, will the gentleman yield?

Mr. KVALE. Yes.

Mr. ZIONCHECK. The gentleman understands that the Postmaster General can only have selected postmasters in first-, second-, and third-class post offices that have taken the civil-service examination, and then the Democrat from the district has three men certified to him. Would the gentleman say that there was a breach of the President's orders if three men were certified and the Postmaster General wanted another examination because his friend did not happen to be among those three?

Mr. KVALE. I shall deliberately dodge the interesting question for the moment by saying to my good friend that I do not have postmasterships in mind at this time.

Mr. McFARLANE. What would the gentleman say to this statement: That Republicans are being shown preference over Democrats and have been employed in many of the emergency set-ups of this administration and are holding these key positions, especially the best positions, paying from \$4,000 to \$6,000, and that a large part of those key positions are held by Hoover Republicans, who in turn are appointing their Republican underlings. Does the gentleman not think that good Democrats are available and qualified and that

out of simple loyalty to the new deal and under all of the rules of the game they ought to have these jobs?

Mr. KVALE. The gentleman may answer his own question. I do not want to be discourteous to my good and sincere friend, but please let me continue.

I have another thought or two, and one is to repeat earlier warnings in this body we seem disposed to forget. Bear in mind that as we delegate these powers and fill up these agencies and change our governmental structure we do it by a majority vote of this body. At some future time, however, when in the wisdom of this body we may want to reach out and recapture powers for the Congress, it will require a two-thirds vote and not a mere majority vote, and it is going to be extremely difficult, in geometrical instead of arithmetical proportion, to achieve that return of power.

Now, one concluding thought. On this birthday of our President Roosevelt, who daily receives the grateful expressions and praise of Members of this House, without in the slightest degree meaning to disturb the affection and gratitude we feel toward him and the faith we have in his leadership and courage, let us at the same time assert that friendliness to him individually and discharge our duty to our people by regarding that Presidency of the United States as an institution and an office and not an individual. Unfortunately for us, even though the present occupant did not need worry over future elections, the office is not occupied by an immortal. [Applause.]

Mr. Chairman, I yield back the balance of my time.

Mr. ARNOLD. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. HAINES].

Mr. HAINES. Mr. Chairman, I can scarcely refrain from discussing the subject brought up by my genial friend and colleague who just preceded me, Mr. KVALE, but I have another mission in appearing before you today, and I want to give that thought to you just now.

I have asked for this time to advise the committee of a joint resolution I have introduced in the House for the establishment of a commission for the construction of a Washington-Lincoln Memorial Gettysburg boulevard connecting the present Lincoln Memorial in the city of Washington with the battlefield of Gettysburg in my district.

About a year ago I had a short conference with the President in reference to this project, and at that time he was most sympathetic to the proposal and referred me to Mr. Ickes, with whom I also spoke concerning the same. I understand many years ago a former Member of Congress advocated the building of this memorial boulevard in honor of the Great Emancipator and humanitarian, instead of the beautiful memorial erected here in Washington.

It seems to me that this is a most worthy project, for it will be most opportune and at a time when so many of our people would be given an opportunity to earn their bread by the sweat of their brows, and as a work relief project cannot be surpassed. If it is true that about 85 percent of the cost of building these highways goes to labor, then surely this has potential work value and an undertaking that should have the sympathetic consideration and immediate approval by both branches of the Congress. The distinguished Senator from Maryland, Senator TYDINGS, through Senator ROBINSON, has introduced a like joint resolution in the other body.

The purposes of the joint resolution are to have a commission appointed consisting of the President of the United States, the Vice President, the Speaker of the House, a Senator from Maryland, 1 from Pennsylvania, 2 members of the commission to be appointed by the President, and 1 Member of this body from Maryland and Pennsylvania, and the Commissioner of the District of Columbia to be member ex officio.

This commission is to select its own chairman from the group stated, and employ a secretary and such other expert help as is necessary in making plans for the beginning and completion of the boulevard.

An appropriation of \$10,000 is asked for to finance the preliminary work. No members of the commission, however, are to receive any pay other than their own necessary

traveling and living expenses when actually engaged in the consideration of the project.

Mr. Chairman, Gettysburg is one of our greatest national shrines; indeed, to many of our people it is the greatest of all our national shrines. Upward of a million people visit this great national shrine annually for it is here that the blood of our fellow countrymen was shed in a cause that they believed to be a just one.

I should like to say in passing, to the Members of this body, that all of you should visit this sacred spot. It is but a short drive from here to Gettysburg. The Gettysburg National Park was taken over by an act of Congress signed by President McKinley on February 11, 1895.

There are more than 16,000 acres, or about 40 square miles, in the area comprising the scene of the battle, and 2,600 acres are now owned by the Government, the balance being owned privately or leased.

At Gettysburg you will find 841 monuments of stone, bronze, and marble, 5 steel observation towers, 3 of them 65 feet high, and 2 of them 75 feet high. There are 464 bronze tablets, 37 bridges and culverts, 5 bronze equestrian statues, 30 bronze statues on pedestals, and 417 cannons on carriages. There are 15 sets of farm buildings, 5 southern monuments, erected by the States of Alabama, Maryland, Virginia, North Carolina, and Texas. Here on this battlefield you will find almost 40 miles of paved or improved streets in splendid condition, and more being built at this time. There are almost 100 guides who give their entire time to conducting visitors over the battlefield. These men are trained in the history of the events of that great conflict, are fine gentlemen, and their services can be obtained for a very nominal fee. There is now being erected on the field headquarters for these guides so that all who visit this sacred spot will have an opportunity to have a guide supplied to them without any difficulty. Pilgrimages are made each year by schools, colleges, and university students to study and learn more about this great civil conflict between our brethren so that it should be the great desire of the Government to maintain this sacred place and give to the Nation the very best that it is possible.

Distinguished men from every country in the world have visited Gettysburg, and it is there that once during each term of our Presidents the Chief Executive delivers a Memorial Day address. Last year our own beloved President Roosevelt went to Gettysburg and was met by the greatest throng of his fellow citizens ever to gather at that place.

These men usually speak from a rostrum but a few feet removed from the spot where the immortal Lincoln delivered his great address and which is considered one of the classics of the ages.

Do you know, my colleagues, that there is no monument at Gettysburg erected to the memory of the immortal Lincoln?

There is a small marker erected on a spot nearby, of which we should be ashamed. It seems to me that this Nation should honor that great man with a monument more in keeping with the great respect we hold in our hearts for Mr. Lincoln. I expect to introduce a bill very soon calling for an expenditure of \$25,000 to purchase a monument and to erect the same, similar to the one erected at Chicago, and to urge that it be erected upon the very spot, if possible, where Mr. Lincoln uttered his immortal words. I trust that the Congress will be sympathetic to my proposal, for I have the honor to represent the people of Gettysburg, a people unsurpassed in patriotism, loyalty, and citizenship. I shall deem it an honor to give any information Members may desire concerning this national shrine. [Applause.]

Mr. ARNOLD. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. HEALEY].

Mr. HEALEY. Mr. Chairman, I have secured this time for the purpose of discussing briefly the various bills which have been introduced by Members of Congress for an increased appropriation for the Home Owners' Loan Corporation, which will permit that organization to carry on its functions, at least until pending applications are disposed of.

Along with other Members, I have introduced a bill for this purpose. My bill calls for an appropriation of \$1,500,000,000.

The bills that have been introduced range in amounts from \$500,000,000 to \$3,000,000,000. I have some figures, however, which indicate to me that the amount I have requested in my bill will be the amount which will be required to allow the Home Owners' Loan Corporation to continue its activities and dispose of pending applications. The figures I have indicate that a total of 1,739,499 applications have been received by the Home Owners' Loan Corporation and the loans closed total 733,140. This leaves a balance of pending applications amounting to 1,006,359. Of the balance, I am informed that some 90,000 will positively be rejected, and of the remaining number of 916,334—432,973 are suspense cases which in the opinion of the State managers would not go through, leaving 483,361 applications which are alive and would likely be closed providing there are sufficient funds.

There are now in the legal division approximately 125,000 applications which will undoubtedly be closed and will use the balance of the appropriation. In my judgment, in reviewing some of the so-called "suspense cases", additional applications may possibly be approved. We therefore have some 483,000 cases, and possibly more, which will eventually go through, providing there are funds for the purpose.

The average loan is \$3,000, and therefore it would require the appropriation called for in my bill of \$1,500,000,000 to take ample care of the pending applications and the administrative costs.

Now, I want to say a word about these applications which are now pending. Many of these applications have been on file for periods ranging from 6 months to over a year. It is acknowledged in many of the cases that they meet the requirements of the home owners' loan legislation, but their final closing has been delayed because of inability to convince mortgagees that they should accept the bonds or because there was a controversy over appraisal figures and other considerations which have delayed their closure.

Now, it is obvious that the home owners who have filed these applications should be entitled to the same degree of consideration as those who have been fortunate enough to obtain loans. It cannot be said that they were negligent or tardy in filing their applications and laches cannot be pleaded against them. This bill was passed to relieve distressed home owners without discrimination, provided their applications complied with the conditions of the home owners' loan legislation and regulations set up thereunder by the Home Owners' Loan Corporation. It is regretted that the appropriation was not sufficient to take care of all these cases. Yet, in fairness to these applicants, the Congress should pass legislation appropriating sufficient funds to take care of these deserving applicants.

The amazing numbers of applications filed and the tremendous amount of money required to relieve home owners in this Nation is indicative of the terrible plight that home owners were in back in 1933. This legislation has undoubtedly averted a tragic collapse of real estate throughout our country. There is nothing we have done, in my opinion, that has proved to be more humane and at the same time has had such great economic value, which has reflected itself not only upon the homes of our people but has also affected our banks, our cities, and towns. At the time of the passage of this legislation, many cities had great deficiencies in their tax collections. The provisions of the home owners' loan legislation provided a way for the payment of delinquent taxes, thus immeasurably assisting our local city and town governments. Another provision of the home owners' loan legislation provided for the repairing of the properties covered by these loans. This has not only enhanced the value of the Government's securities but has improved valuations in all our cities and towns and has added to the wealth of our Nation. Many banks which were holding the mortgages of these properties had held them as frozen assets. This legislation has enabled banking institutions, mortgage and loan associations, and other lending agencies to convert these frozen assets into liquid assets and relieved, to a great

extent, the stringency of mortgage funds. For instance, in my own State, the cooperative banks advertised last year that they had \$20,000,000 available at once to place out on mortgages on real estate and that they expected to have \$50,000,000 available for this purpose. It was admitted by these institutions that the home owners' loan legislation was responsible for this greatly improved condition—that is, they converted their mortgage holdings into Home Owners' Loan bonds, putting them in a liquid position.

A short time before the home owners' loan legislation was in operation—I think I am very safe in saying that—it was impossible for quite a period of time to obtain a dollar for a mortgage loan on real estate from any bank in Massachusetts.

Of course, the benefit which has come to the home owners of our country in being able to retain possession of their homes, for which they have so valiantly struggled to keep for years—the preservation of the family unit and all the good that has flowed from this legislation—cannot be estimated. But there is one further blessing that has come from the home owners' loan legislation which I should like to dwell on for a few moments.

We have, I believe, created a consciousness against the former evils of home financing. We have relegated the short-term mortgage and the second and third mortgage, with their intolerable rates of interest, into the discard. We have evolved, by the home owners' loan legislation and also the Federal Housing Act, a new form of home financing which will permit those who already own homes and those who will acquire them in the future a greater opportunity. There has been created, I feel, a general sentiment in this country that 5-percent interest is the standard rate that should be charged on home mortgages. We have also brought to life the long-term amortization period, with its consequent payments in keeping with the income of the home owner. I am very happy to note that the banks are beginning to take cognizance of this situation, and at this time I should like to ask unanimous consent to incorporate as part of my remarks a press notice recently appearing in the Washington Herald.

There was no objection.

I quote:

[From the Washington Herald, Jan. 27, 1935]

MORTGAGE INTEREST RATES REDUCED BY INFLUENCE OF UNITED STATES HOUSING ACT—NEW YORK OPERATOR TELLS GROUP OF NATIONAL BOARDS BENEFITS DERIVED OF F. H. A. PLAN

HOUSTON, TEX., January 26.—Interest rates on mortgages are being reduced voluntarily by banks as a result of the low-interest, long-term insured mortgage plan of the Federal Housing Administration, Edward A. MacDougall, of New York City, told the convention of the National Association of Real Estate Boards.

MacDougall, who is chairman of the association's committee on housing, declared:

"It is interesting to hear that Franklin W. Fort, president of the Lincoln National Bank, Newark, N. J., has recommended a reduction in general interest rates on loans and mortgages to 5 percent. This action, effective January 1, is in accordance with a recommendation by the New Jersey State Bankers' Association. The rate will apply to mortgages on an amortization basis and will obtain when other mortgages not in that category reach the point where the borrower makes amortization arrangements satisfactory to the bank."

Praising the F. H. A. for bringing about a clearer understanding of the problems involved in real-estate operations, Mr. MacDougall continued:

"Many locations report full occupancy of existing housing, which is the most substantial evidence that there is a real need for more building at this time.

"There is growing appreciation of the need of a Federal mortgage discount bank to supplement and complete present Federal agencies for the stabilization of home mortgage finance.

"It is also advisable to extend the F. H. A. insurance plan to include the reconditioning of existing housing of all types."

This business of home financing, of course, should be handled by the private lending institutions of this country, and the future standard home mortgage should be the one containing the provisions of the Home Owners' Loan Corporation mortgage. The private lending organizations could and should relieve the Government of carrying this burden further by refinancing these mortgages, scaling them down to a true appraisal value and adding to the mortgages the same benefits which are provided by home-loan mortgages.

However, as there has been no great tendency by private lending agencies to do this to date, and because there is a great need to protect home owners who have pending applications from immediate foreclosure, I trust that the Committee on Banking and Currency, before whom these bills are now being considered, will realize the urgency of these needs and bring in a bill for such an appropriation and thus avert any wholesale wave of foreclosure which may offset much of the good that has already been accomplished. [Applause.]

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. FOCHT].

Mr. FOCHT. Mr. Chairman, there is one thing certain about any attempted address at this hour, and that is that no Member is designedly attempting to speak to the galleries. It will be observed they are practically vacant.

We all recall the beautiful and immortal poem of Kipling on the white man's burden, but it seems this afternoon, from most of the speeches made on at least three topics, that we are still bearing that burden and that we are destined to carry it full many years to come.

I offered an interrogatory to my friend the gentleman from Ohio [Mr. TRUAX], which was probably suggested by something that occurred here during the war time. At that time I inquired of the leader of this House, who had offered a resolution providing for the transfer of \$500,000,000 of silver bullion to the credit of the British Government to be shipped to India. I made inquiry but it has never been answered up to this time, and I was wondering if the gentleman from Ohio [Mr. TRUAX], my good personal friend, who has some economic ideas with which I am in accord, could answer that question. So I asked him the question, as I did Mr. Harrison, why this accumulation of this vast amount of gold. I thought possibly the gentleman from Ohio [Mr. TRUAX] might answer, as his mind was running in that direction, that it was to back up the inflation, and, as has been reported in the press, that there might be another cut of the dollar to make it possible to have enough gold to back up the circulation of \$200,000,000,000. I was wondering whether that might be the idea.

I now propound the question again: In a time of peace with nothing appearing anywhere on the horizon to indicate that there is a possibility of necessary defense of our country, no prospect of war, and no one here has yet admitted that the administration is in favor of inflation, what is the reason for having all this gold in the Treasury?

Of course, the alibi to a great circulation would be that the world has always demanded gold behind circulation; and I would regard it the work of some genius first to prepare by having the gold and then to put out the circulation, for the answer to the world then would be, there is your gold behind your circulation. I have listened long and patiently to talks about inflation and talks about deflation of the dollar and talks about accumulating this vast sum of gold, but I should like for someone to make it clear just what this great hoard of gold is intended for. Gold does not circulate, the erosion is too great. It is simply a guaranty of the credit of the country. That ends that. Now, if there is to be inflation, I should like to hear about it.

Two other subjects were discussed today, and I hope I may have the time to touch upon each. The first of these is the soldiers' bonus. Of course, I was here when we went into the war, I was here throughout the war, and I was here after the conclusion of the war. I know I voted for a bonus more than 10 years ago. It met the approval of everyone. Seemingly, though, we have never been able to get the matter concluded; and why we have not, I never knew. We now learn that the adjustment proposed by several bills before the House that are expected to be brought out of the committee with a favorable report will not cause any additional expense to the Government beyond the contract now existing between the Government and the veterans. This adjustment should be completed. Its deferment is an injustice. It appears now that those soldiers who took advantage of borrowing half of what was due them on their adjusted-service certificates will, by 1945,

lose the other half because it will be consumed by interest. I hope an equitable bill will be brought in and that this matter will be ended. I am heartily for it. I do not understand the bills that have been introduced, for I have not seen them; but one thing is certain, we want to take care of the soldiers.

The other question is often thought too vague, surrounded with mysticism, the great black art, or something that could not be defined—the tariff question. Here we go on session after session either debating the tariff or bringing in a bill on the tariff; and we hear the same arguments made, that the manufacturer gets too much protection and the farmer gets none. My opinion is that all America stands really for protection if that protection takes care of the difference between the cost of production here and the cost of production abroad, anywhere abroad. I hope when we get into a debate of that question that I, as a Member from Pennsylvania, may have an opportunity to be heard, for so much has been said about any advantage that is taken of the tariff by Pennsylvania.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. FOCHT. I yield.

Mr. McFARLANE. Does not the gentleman believe the farmer is entitled to the same consideration, cost of production plus a reasonable profit on the stuff he produces? Is not the farmer entitled to the same treatment as that afforded manufacturers? Congress has enacted laws favoring the utilities and the railroads. Does not the gentleman think the farmer is entitled to similar consideration also?

Mr. FOCHT. Yes. The gentleman talks about Congress favoring the utilities and the railroads and that the farmers should be aided in their plight. I will give the gentleman and other Members of Congress the answer to this socialistic theory. There are two factors involved, and only two, which will wipe out socialism and communism. These two principles, Mr. Chairman, are that estates cannot be entailed, and that wealth cannot be perpetuated beyond the third generation. That ends that.

Secondly, the power of taxation is in the hands of the people; and you know how to wield it and I have helped out too, in war time, but there is nothing beyond these remedies. That is the answer.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. FOCHT. The first great tariff bill, of course, was enacted in the First Congress and was signed by George Washington. Now, if our Democratic friends are still inclined to a tendency toward free trade, or even tariff for revenue only, they have only to look at the example of Thomas Jefferson. Read his papers and message to Congress, and see what Thomas Jefferson and General Jackson said. If this is not sufficient, I refer you to one of the greatest Democrats America ever produced, a man who was State senator, a member of the assembly, who was Minister to England, Minister to Russia, who was United States Senator, Secretary of State, and President of the United States.

Few people seem to realize that all of those Democrats had that economic situation in mind for the interest of the people. That man was James Buchanan, who signed the greatest tariff bill ever enacted in this House 2 days before he retired as President of the United States. On that subject in particular I should like to speak at some future time, and I hope the gentleman will recall and keep in mind that I am for the farmer. There is not a thing raised on the farm that is not in some measure protected, and there is not much he uses that carries a tariff. What he needs is a market and fair price for what he produces, and I stand ready to help in this as well as to reduce his taxes.

[Here the gavel fell.]

Mr. ARNOLD. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BULWINKLE, Chairman of the Com-

mittee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 4442, the Treasury and Post Office Departments appropriation bill, had come to no resolution thereon.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate insists upon its amendments to the joint resolution (H. J. Res. 83) making additional appropriations for the Federal Communications Commission, the National Mediation Board, and the Securities and Exchange Commission for the fiscal year ending June 30, 1935, disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ADAMS, Mr. GLASS, and Mr. HALE to be the conferees on the part of the Senate.

The message also announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 4304. An act to amend the Second Liberty Bond Act, as amended, and for other purposes.

EXTENSION OF REMARKS

Mr. IGLESIAS. Mr. Speaker, today I received from the headquarters of the United States Puerto Rican Regiment, San Juan, Puerto Rico, a magnificent gavel and block with a silver inscription dedicated to the Speaker of this House, the Honorable JOSEPH W. BYRNS, and which I had the honor of handing to him in his chambers this morning.

Now, I ask unanimous consent to extend my remarks in the RECORD by inserting the letters of transmission, together with a short history of Morro Castle, of San Juan, P. R., from which the wood was taken to prepare this gavel.

The SPEAKER. Is there objection to the request of the Commissioner from Puerto Rico?

There was no objection.

The matter referred to follows:

SAN JUAN, P. R., January 21, 1935.

HON. SANTIAGO IGLESIAS,

Resident Commissioner for Puerto Rico,
House Office Building, Washington, D. C.

MY DEAR SIR: Col. O. R. Cole, United States Army, commanding officer of the United States troops in Puerto Rico, and myself are sending you, under separate cover, a gavel and block made from ausubo wood taken from the lower foundation of El Morro, which we want you to present to the Honorable JOSEPH W. BYRNS, Speaker, with such ceremony and at such time and place agreeable to you and to him.

I attach hereto a letter that Colonel Cole and myself have addressed to Speaker BYRNS giving him the history of the gavel and block. There is a copy of this letter enclosed for your use. There is also enclosed a brief history of El Morro. In making your presentation of this gavel and block you are at liberty to use any of the information contained herein.

I have had the pleasure of knowing Mr. BYRNS for the past 17 years, and soon after the wonderful Democratic victory of last November I wrote BYRNS telling him that I anticipated that he would be the next Speaker of the House, and in case that prediction came true I wanted to present him with a suitable presiding symbol. As this symbol is of historical value and comes from the Territory which you represent, we want you to represent us in making the presentation.

Both Colonel Cole and myself will greatly appreciate this.

I have never had the pleasure of meeting you but hope sometime in the near future this can be done.

With best wishes and kindest regards, I beg to remain,

Yours most sincerely,

A. E. HUTCHISON.

HEADQUARTERS SIXTY-FIFTH INFANTRY,
POST OF SAN JUAN, P. R.,
San Juan, P. R., January 4, 1935.

HON. JOSEPH W. BYRNS,

Speaker of the House of Representatives,
Washington, D. C.

MY DEAR MR. SPEAKER: The gavel and block which were recently sent to you from Puerto Rico are made from a native wood called ausubo.

Ausubo was used extensively on the island in early times for the main beams in all large houses and public buildings. When kept dry it became extremely hard with age and for hundreds of years has withstood rot and polilla, a wood-boring pest which does great damage in Puerto Rico to practically all woods except ausubo. Ausubo is now practically extinct in Puerto Rico with only an occasional tree to be found in the interior of the island.

The piece of timber from which the gavel and block were made was taken from the lower foundation of El Morro, the old Spanish fortress at the entrance of the harbor of San Juan. The foundations of El Morro were laid about 1593, and as it is estimated that

an ausubo tree requires about 400 years to reach the size needed to hew the beams used for construction purposes, it is quite probable that the wood used is about 800 years of age from seed to gavel and block.

The attached pamphlet gives a very brief outline of the history of El Morro which may be of interest in connection with the history of the gavel and block.

The gavel and block were made by the mechanics of the service company, Sixty-fifth Infantry, Post of San Juan, Puerto Rico, in December 1934, and are presented to the Speaker of the House of Representatives of the United States by Col. Otis R. Cole, Sixty-fifth Infantry, commanding officer, United States Troops in Puerto Rico, and by Mr. A. E. Hutchison, Territorial Manager Home Owners' Loan Corporation, San Juan, Puerto Rico.

Faithfully yours,

A. E. HUTCHISON,
Territorial Manager Home Owners' Loan Corporation.
O. R. COLE,
Colonel Sixty-fifth Infantry, Commanding.

EL MORRO

The following data relating to El Morro has been taken from Historia de Puerto Rico, by Paul G. Miller (Rand, McNally & Co., New York-Chicago), and is presented with the compliments of Company F, Sixty-fifth Infantry, United States Army, the present garrison of El Morro.

The first settlement in Puerto Rico was established by Ponce de León in 1508 across the bay from San Juan and was called Caparra (the guide can point out to you the location from the upper level). Ponce de León had a home in Caparra; he never lived in San Juan proper, which was settled in 1521. Casa Blanca, the residence of the commanding officer of the United States troops in Puerto Rico, was built originally in 1523, 2 years after the death of Ponce de León, by Garcia Troche, a nephew, for a minor son, Luis Ponce de León.

The first fortification was the Fortaleza where the Governor's palace now stands; begun in 1533 but it was not finished until 1540.

The construction of the first fortification on the site of El Morro was begun in 1539. In 1541 the treasurer complained that the arms for the fort had not arrived. In 1555 the Governor reported that eight pieces of bronze had been placed in El Morro.

The construction of the fort was slow and the historian, Brau, reports that, "The Negro slaves brought in 50 years before for use on public works had nearly all died of old age."

In 1586 an annual assessment of money was charged against the treasurer of Mexico to build the public works at San Juan. These remittances constituted the principal supply of money from outside sources for the Government of Puerto Rico for 2 centuries.

In 1586, after Sir Francis Drake destroyed the city of Santo Domingo, it was decided to increase the fortifications of San Juan. The improvement of El Morro began with great activity in 1591.

Drake attacked San Juan in 1595. In March of that year a Spanish fleet en route from Mexico to Spain was driven into the harbor by a storm, and 2,000,000 pesos in gold and silver were deposited in the Fortaleza. The Spanish King advised the Governor that a strong force was being organized in England to take Puerto Rico.

Sir Francis Drake arrived off San Juan on the morning of November 22, 1595, and was fired on by the forts of El Morro and Escambrón (the small fort at the northeastern part of the island). That afternoon Sir Nicholas Clifford and Captains Brown and Strafford were mortally wounded while seated at supper with Sir Francis Drake. John Hawkins, a famous English mariner, was killed the same day. The following day the English fleet moved to the lee side of Cabras Island beyond the range of the Spanish guns, and Drake personally reconnoitered in a small boat, sounding the waters to find a way into the shore. At 10 that night he launched an attack on the Spanish ships in the harbor. He sent in 25 boats, with 50 or 60 men in each boat. They attempted to burn four Spanish ships and succeeded in burning one. The light from this ship made them a clear target for the Spanish artillery and they were driven back after an hour's hard fighting with the loss of 9 or 10 boats, 400 men, and many wounded. The next morning at 8 o'clock he sailed out to sea, but at 4 o'clock he was seen again approaching directly toward the entrance of the harbor and the Spaniards sank three ships in the channel to block it. Drake came up off the entrance to the harbor, but left the next day.

The Spanish King realized the danger of losing Puerto Rico, and consigned a special credit of 3,000,000 maravedies for the purchase of cannons and other arms and ordered a special credit of 6,000,000 maravedies with the treasurer of Mexico for completing the work on El Morro. These funds, however, had not arrived some time later when the new Governor arrived and found the garrison reduced to 134 infantrymen and 14 artillerymen.

On June 6, 1598, the Earl of Cumberland arrived in the bay just east of the island on which San Juan is situated, with one of the strongest forces ever organized against the Spanish. He tried first to force the San Antonio Bridge (then called the bridge of the soldiers) with 1,000 men, but failed. He then landed on the beach between Escambrón and the city proper with 200 pike men and 50 musketeers. They took the defenders of the bridge from the flank and rear. The remaining Spanish troops could not hold the forces of Cumberland and they retired into El Morro with about 250 men.

On the 19th Cumberland took possession of the city and placed his guns for an assault on El Morro. He opened breaches in the

walls and the fort was surrendered on the 21st. The day following the English fleet entered the bay.

Cumberland desired to make Puerto Rico an English colony and he ordered the Spanish to leave and called for volunteers who wished to remain. The epidemic which had reduced the Spanish forces now broke out among the English, and they lost 400 men from the 1,000 who had landed.

He sailed away, taking with him all the cannon, the bells of the church, and all the hides, ginger, and sugar that he was able to seize, to seek his fortune elsewhere. He left John Berkley in command.

Berkley, finding that the epidemic was causing many deaths among his people, abandoned the city on November 23, 1598, after it had been held by the English for 157 days.

The following year Spain sent 300 men to recover the city, but they found the city abandoned by the English.

The defenses of El Morro were improved and enlarged after the invasion by Cumberland. There are two tablets made of clay in the walls on the side toward the city which read as follows:

"Reinando Felipe tercero
Felicísimo Rei de las Españas siendo
su Gobernador Capitan General de esta
Isla Sancho Ochoa de Castro Señor de la
Salsolar de los Condes de Salvatierra
se acabo este baluarte de Ochoa,
asta el puesto de esta piedra.
Año 1606."

Quarters for the troops, cisterns, and powder magazines were constructed and some of the defenses facing the city were erected.

On the 24th of September 1625 there appeared 17 Dutch ships, with 2,500 men, off El Morro. The Spanish commander expected them to attempt a landing east of the city and took two pieces of artillery from El Morro and constructed trenches east of the city to repel the attack. When the Dutch saw the Spanish works they sailed directly for the port and passed El Morro with little damage. Of the few pieces of artillery, some of the cannon had been charged for 4 years, and others when they were fired once were out of action. The Dutch occupied the city and tried to take El Morro. The Spanish troops finally arranged a sortie from the fort at the same time that a force from the mainland attacked the Dutch from the rear. The combined attacks drove them from the town and aboard the ships. A Spanish officer, a native of Puerto Rico, Juan de Amezquita, commanded this sortie and subsequently conducted himself with great valor in the final assault on the Dutch trenches. A monument to him has been erected near where the flagpole now stands.

On account of the attacks by the French, English, and Dutch established in the Windward Islands on Spanish shipping and towns, the King ordered the defenses of San Juan to be further improved. The original plans for El Morro had been made by Maj. Juan de Hell, an engineer of the Spanish forces some years before.

The defenses of El Morro were shown to be insufficient and a wall was begun around the entire city in 1630.

In 1646 Torres Vargas reported that they had expended on El Morro 1,900,000 ducats and to finish the work would require much more.

Carlos III sent Marshal de Campo Alejandro O'Reilly in 1765 to investigate the defenses. His report showed great deficiencies not only in the defenses but in the organization, discipline, and maintenance of the troops.

In view of this report, the King authorized the reconstruction of the fortifications of San Juan and he named a Colonel of Engineers, Tomas O'Daly, to direct the work. He assigned him a credit of 100,000 pesos annually to be remitted from Mexico, sent him a new regiment of troops and 445 prisoners to work on the fortifications and also placed at his disposal those prisoners who had been condemned for contraband commerce.

In 1776 he had reconstructed El Morro and had constructed defenses to the San Antonio bridge and had rebuilt San Cristóbal by 1783. This officer also paved the streets of San Juan.

On April 17, 1797, the English again attacked San Juan. The fortifications now contained 376 cannon, 85 mortars, 4 obuse, and 3 pedreros and a regular regiment of 938 men.

The British disembarked 7,000 men on the beach at Cangrejos, beyond where the Condado Vanderbilt Hotel now stands. They placed their guns near where the hotel now stands and bombarded the forts on the east end of the island but failed to reduce them and gave up the attempt on April 30, 1797.

In 1898 the first shot of the Spanish-American War in Puerto Rico was fired from San Cristobal, which was under the command of Captain Rivero (now living in Puerto Rico) against the American cruiser *Yale*.

A naval fight occurred between the *St. Paul* and two small Spanish boats just off El Morro, in which the *St. Paul* was victorious.

Admiral Sampson bombarded the fort on the 12th of May 1898. He directed most of his fire into the harbor to find out if Admiral Cervera was there. The bombardment lasted 3 hours. The effects of the fire can be seen on the wall toward the sea.

The story is told that in 1917 a German ship in the harbor at the time war was declared tried to escape. The one gun available in El Morro was loaded and fired, the shot hit the water ahead of the ship, but the gun turned over and was out of action. The Germans believed that a disappearing gun had been fired and turned back into the harbor.

RECONSTRUCTION FINANCE CORPORATION

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent that the conferees on the part of the House may have until midnight tonight to file a conference report on the bill (S. 1175) to extend the functions of the Reconstruction Finance Corporation for 2 years, and for other purposes.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, may I ask the gentleman if he is going to call that bill up the first thing in the morning?

Mr. STEAGALL. I hope to do so.

Mr. SABATH. Mr. Speaker, reserving the right to object, may I ask if both of the amendments the House agreed on yesterday have been adopted in conference?

Mr. STEAGALL. I am sorry to say they have not.

Mr. McFARLANE. They have been ignored, as usual.

Mr. SABATH. Then the conferees did not pay any attention to the action of the House, and both of these amendments are out of the bill.

Mr. PATMAN. Mr. Speaker, reserving the right to object, I am especially anxious about the amendment changing the date. Was the date changed in order to allow new business to come in?

Mr. STEAGALL. Yes.

Mr. PATMAN. Was the amendment retained which permits loans to be made where there is reasonable assurance of repayment?

Mr. STEAGALL. The language of the House was retained, which was the same as the Senate language. That matter was not in conference. I hope the gentleman will not ask me to discuss the entire conference report at this time.

Mr. SABATH. Mr. Speaker, it is manifestly unfair to the House for its conferees to yield on important amendments that were passed by nearly a unanimous vote of the House after general debate. These amendments were of very great importance. Of course, I recognize that this legislation must be enacted by tomorrow. If it were not for that fact I would object and insist that the House disagree to the action taken.

Mr. STEAGALL. May I say that I did not expect to be called upon to answer such inquiries at this time, but, to be frank with the gentleman, I may say that the House conferees yielded because of the compelling necessity for the enactment of this legislation tomorrow, and not for any other reason.

Mr. SABATH. The gentleman knows that similar provisions were carried in the securities exchange bill in 1934. I refer particularly to the provisions that protect the rights of bondholders in reorganizations, eliminate fraud, and safeguard the interest of millions of men and women of the United States. I am fearful that we are not protecting either their rights or interests by the elimination of these two important provisions. I shall not object at this time, in view of the fact that the matter will come up tomorrow, when I will demand to know the actual reasons for the elimination of these amendments, and, if possible, I shall insist that the conferees' report be disagreed to and the conferees be instructed to ask for another conference and to insist upon the retention of these amendments. I feel that I shall in this have the support of a majority of the Members of the House, who justifiably resent this disregarding of the will of the House.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL.
1936

Mr. ARNOLD. Mr. Speaker, I ask unanimous consent that the general debate on the bill (H. R. 4442) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1936, and for other purposes, continue for not to exceed 2 hours tomorrow, the

time to be equally divided and controlled by the gentleman from New York [Mr. TABER] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 3410. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1936, and for other purposes; and

H. J. Res. 118. Joint resolution to prohibit expenditure of any moneys for housing, feeding, or transporting conventions or meetings.

ADJOURNMENT

Mr. ARNOLD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 24 minutes p. m.) the House adjourned until tomorrow, Thursday, January 31, 1935, at 12 o'clock noon.

COMMITTEE HEARING

The House Committee on Merchant Marine, Radio, and Fisheries will hold public meeting tomorrow, Thursday, at 10 a. m., on H. R. 111, on requisitioning of ships.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

172. A letter from the treasurer of the Washington Rapid Transit Co., transmitting copy of the balance sheet of the company as of December 31, 1934; to the Committee on the District of Columbia.

173. A letter from the Chairman of the Interstate Commerce Commission, transmitting report of the Federal Coordinator of Transportation on transportation legislation (H. Doc. No. 89); to the Committee on Interstate and Foreign Commerce and ordered to be printed, with illustrations.

174. A letter from the Secretary of the United States Employees' Compensation Commission, transmitting the annual report of the Commission covering the fiscal year ended June 30, 1934; to the Committee on the Judiciary.

175. A letter from the Secretary of the Navy, transmitting draft of a proposed bill to amend an act making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1927, and for other purposes, approved April 15, 1926, so as to equalize the allowances for quarters and subsistence of enlisted men of the Army, Navy, and Marine Corps; to the Committee on Military Affairs.

176. A letter from the Secretary of the Navy, transmitting draft of a proposed bill to amend the act approved February 15, 1929, entitled "An act to permit certain warrant officers to count all active service rendered under temporary appointment as warrant or commissioned officers in the regular Navy, or as warrant or commissioned officers in the United States Naval Reserve force, for the purpose of promotion to chief warrant rank"; to the Committee on Naval Affairs.

177. A letter from the Acting Secretary of the Navy, transmitting draft of a proposed bill to authorize certain officers of the United States Navy and officers and enlisted men of the Marine Corps to accept such medals, orders, diplomas, decorations, and photographs as have been tendered them by foreign governments in appreciation of services rendered; to the Committee on Naval Affairs.

178. A letter from the Secretary of the Navy, transmitting draft of a proposed bill to amend section 7 of the act approved May 29, 1934 (48 Stat. 811); to the Committee on Naval Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. RAYBURN: Committee on Interstate and Foreign Commerce. H. R. 4751. A bill to amend section 24 of the Interstate Commerce Act, as amended, with respect to the terms of office of members of the Interstate Commerce Commission; without amendment (Rept. No. 37). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 1689) granting a pension to Julia C. Messamore; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 4149) granting an increase of pension to Amanda E. Kellam; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 1118) granting a pension to Mary A. Hayes; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASHBROOK: A bill (H. R. 5049) providing punishment for forging or counterfeiting any postmarking stamp; to the Committee on the Post Office and Post Roads.

By Mr. BRUNNER: A bill (H. R. 5050) to provide for the construction of four vessels for the Coast Guard designed for ice breaking and assistance work; to the Committee on Interstate and Foreign Commerce.

By Mr. CELLER: A bill (H. R. 5051) to amend the Civil Service Act approved January 16, 1883 (22 Stat. 403), and for other purposes; to the Committee on the Civil Service.

By Mr. DEROUEN: A bill (H. R. 5052) to amend the Agricultural Adjustment Act with respect to rice, and for other purposes; to the Committee on Agriculture.

Also, a bill (H. R. 5053) to authorize the Secretary of the Interior to accept from the State of Utah title to a certain State-owned section of land and to patent other land to the State in lieu thereof, and for other purposes; to the Committee on the Public Lands.

By Mr. DOCKWEILER: A bill (H. R. 5054) to amend an act approved August 13, 1894, entitled "An act for the protection of persons furnishing materials and labor for the construction of public works"; to the Committee on the Judiciary.

Also, a bill (H. R. 5055) to provide for rehabilitation and uniform pension for all totally blind soldiers of the Army, Navy, Marine Corps, and war nurses; to the Committee on Pensions.

By Mr. FADDIS: A bill (H. R. 5056) to authorize the correction of military records; to the Committee on Military Affairs.

By Mr. McSWAIN: A bill (H. R. 5057) to amend sections 10 to 14, inclusive, of the act approved July 2, 1926 (44 Stat. 784, 789); to the Committee on Military Affairs.

By Mr. MOTT: A bill (H. R. 5058) to convey certain lands to Clackamas County, Oreg., for public-park purposes; to the Committee on the Public Lands.

By Mr. RAMSAY: A bill (H. R. 5059) authorizing the purchase of United States Supreme Court Decisions and Digest; to the Committee on the Library.

By Mr. SANDERS of Louisiana: A bill (H. R. 5060) to provide for an additional judicial district in Louisiana; to the Committee on the Judiciary.

By Mr. VINSON of Georgia: A bill (H. R. 5061) relating to the special tax on the selling of intoxicating liquor in violation of State and local laws; to the Committee on Ways and Means.

By Mr. MAPES: A bill (H. R. 5062) to amend certain provisions of the antitrust laws; to the Committee on the Judiciary.

By Mr. HIGGINS of Massachusetts: A bill (H. R. 5063) to provide that the pay of substitute post-office clerks and letter carriers be at the rate of 80 cents per hour, and for their promotion; to the Committee on the Post Office and Post Roads.

By Mr. DOCKWEILER: A bill (H. R. 5064) to establish a United States Army air base in Alaska to provide a supporting Army air base at a favorable and strategic location for the protection of the north Pacific and Alaskan coasts and coast cities; to the Committee on Military Affairs.

By Mr. HOLMES: A bill (H. R. 5065) to enable the Secretary of Agriculture to control and eradicate the Dutch elm disease in the New England States; to the Committee on Agriculture.

By Mr. MANSFIELD: A bill (H. R. 5066) to reduce freight rates on agricultural products; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 5067) to reduce tariff duties; to the Committee on Ways and Means.

By Mr. WHITE: A bill (H. R. 5068) to fix the compensation of registers of local land offices; to the Committee on the Public Lands.

By Mr. BETTER: A bill (H. R. 5069) to repeal the act entitled "An act to grant to the State of New York and the Seneca Nation of Indians jurisdiction over the taking of fish and game within the Allegany, Cattaraugus, and Oil Spring Indian Reservations", approved January 5, 1927; to the Committee on Indian Affairs.

By Mr. STACK: A bill (H. R. 5070) to renew appointments to regular positions in the Postal Service; to the Committee on the Post Office and Post Roads.

By Mr. McSWAIN (by request): A bill (H. R. 5071) to promote the efficiency of national defense; to the Committee on Military Affairs.

By Mr. YOUNG: Resolution (H. Res. 91) authorizing the appointment of a special committee of five Members of the House of Representatives to investigate the Federal Home Loan Bank Board; to the Committee on Rules.

By Mrs. NORTON: Resolution (H. Res. 92) authorizing the expenditure of not more than \$5,000 by the Committee on the District of Columbia in the conducting of the investigation authorized by House Resolution 66; to the Committee on Accounts.

By Mr. WARREN: Resolution (H. Res. 93) to pay to Isaac S. Scott, brother of the late Albert Scott, \$246 to cover the latter's funeral expenses; to the Committee on Accounts.

By Mr. COX: Joint resolution (H. J. Res. 144) to require observance of the law relating to the apportionment among the several States and Territories and the District of Columbia of employees in the public service; to the Committee on the Civil Service.

By Mrs. KAHN: Joint resolution (H. J. Res. 145) authorizing the President to invite foreign countries to participate in the San Francisco Bay Exposition of 1938 at San Francisco, Calif.; to the Committee on Foreign Affairs.

By Mr. McCORMACK: Joint resolution (H. J. Res. 146) to authorize the several States to negotiate compacts or agreements to promote greater uniformity in the laws of such States affecting labor and industries; to the Committee on the Judiciary.

By Mr. COX: Concurrent resolution (H. Con. Res. 5) concerning resolution favoring a uniform scale of rates on a mileage basis by interstate carriers; to the Committee on Interstate and Foreign Commerce.

By Mr. DICKSTEIN: Concurrent resolution (H. Con. Res. 6) authorizing an investigation of the vessels of the Ward Line or subsidiaries; to the Committee on Merchant Marine, Radio, and Fisheries.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Montana, memorializing Congress for the passage of legislation providing for the immediate conversion into cash of the adjusted-compensation certificate of the soldier of the World War; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Colorado, urging payment of the bonus; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Maine, memorializing Congress to eliminate the Federal tax on gasoline; to the Committee on Ways and Means.

Also, memorial from the Legislature of the State of Idaho, favoring an old-age pension bill; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ASHBROOK: A bill (H. R. 5072) granting a pension to William Bills; to the Committee on Invalid Pensions.

By Mr. CARY: A bill (H. R. 5073) granting a pension to Kate Beard; to the Committee on Invalid Pensions.

By Mr. COLE of Maryland: A bill (H. R. 5074) granting a pension to John Doane Gardiner; to the Committee on Pensions.

By Mr. DEMPSEY: A bill (H. R. 5075) providing for the appointment of Harry T. Herring, formerly a lieutenant colonel in the United States Army, as a lieutenant colonel in the United States Army, and his retirement in that grade; to the Committee on Military Affairs.

By Mr. DOCKWEILER: A bill (H. R. 5076) to correct the naval record of Comdr. Royall Roller Richardson; to the Committee on Naval Affairs.

Also, a bill (H. R. 5077) for the relief of Walter E. Sharon; to the Committee on Naval Affairs.

Also, a bill (H. R. 5078) for the relief of Mrs. Charles F. Eikenberg; to the Committee on Claims.

Also, a bill (H. R. 5079) for the relief of John G. DeMuth; to the Committee on Military Affairs.

Also, a bill (H. R. 5080) to allow the Distinguished Service Cross for service in the Philippine Insurrection to Ross I. Barton; to the Committee on Military Affairs.

By Mr. ENGEL: A bill (H. R. 5081) granting a pension to Rebecca Barnard; to the Committee on Pensions.

By Mr. ENGLEBRIGHT: A bill (H. R. 5082) to correct the military record of Nathan Albeer Gregory; to the Committee on Naval Affairs.

By Mr. EKWALL: A bill (H. R. 5083) providing for an examination and survey of Sandy River, near Troutdale, Oreg; to the Committee on Rivers and Harbors.

Also, a bill (H. R. 5084) granting an increase of pension to Mary A. Ballard; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5085) granting an increase of pension to Nettie M. Underwood; to the Committee on Pensions.

Also, a bill (H. R. 5086) for the relief of Lelia McKay; to the Committee on Claims.

Also, a bill (H. R. 5087) for the relief of Edward M. Brown; to the Committee on the Post Office and Post Roads.

By Mr. FLETCHER: A bill (H. R. 5088) for the relief of Henry J. Corcoran; to the Committee on Military Affairs.

By Mr. FORD of California: A bill (H. R. 5089) for the relief of H. B. Van Brunt; to the Committee on Claims.

By Mr. GEHRMANN: A bill (H. R. 5090) for the relief of Julius A. Geske; to the Committee on Claims.

Also, a bill (H. R. 5091) for the relief of E. H. Estabrook; to the Committee on Claims.

Also, a bill (H. R. 5092) for the relief of Charles W. Lynch; to the Committee on Military Affairs.

By Mr. GRISWOLD: A bill (H. R. 5093) granting an increase of pension to Nathan Ain; to the Committee on Pensions.

By Mr. HEALEY: A bill (H. R. 5094) granting a pension to Julia Agnes Silva; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5095) to authorize the presentation to Frank E. Abbott of a Distinguished Service Cross; to the Committee on Naval Affairs.

Also, a bill (H. R. 5096) for the relief of Domenico Conte; to the Committee on Claims.

Also, a bill (H. R. 5097) for the relief of Mary E. Lord; to the Committee on Claims.

Also, a bill (H. R. 5098) for the relief of John A. Lane; to the Committee on Military Affairs.

Also, a bill (H. R. 5099) for the relief of Albert Henry George; to the Committee on Naval Affairs.

By Mr. HIGGINS of Massachusetts: A bill (H. R. 5100) for the relief of Michael F. Calnan; to the Committee on Naval Affairs.

By Mr. HOLMES: A bill (H. R. 5101) for the relief of Adrian Van Leeuwen; to the Committee on Military Affairs.

Also, a bill (H. R. 5102) for the relief of Hector H. Perry; to the Committee on Military Affairs.

By Mr. JOHNSON of West Virginia: A bill (H. R. 5103) granting an increase of pension to Orrie S. McCutcheon; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5104) granting an increase of pension to Carrie A. Groce; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5105) granting a pension to Unoca Ferguson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5106) granting an increase of pension to Sarah L. Smith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5107) granting an increase of pension to Josinah Brown; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5108) granting an increase of pension to Sarah E. Boler; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5109) granting an increase of pension to Lucy A. Cartmell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5110) granting an increase of pension to Malinda J. Jacobs; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5111) granting an increase of pension to Margaret E. Gorrell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5112) granting an increase of pension to Nannie Queen; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5113) granting an increase of pension to Emeline Petty; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5114) granting an increase of pension to Hannah Gibbs; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5115) granting an increase of pension to Flerria Messick; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5116) granting an increase of pension to Mary M. Gibbs; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5117) granting an increase of pension to Phoebe A. Kimes; to the Committee on Invalid Pensions.

By Mrs. KAHN: A bill (H. R. 5118) granting an increase of pension to Mary Baldwin Kennedy; to the Committee on Pensions.

By Mr. KENNEDY of Maryland: A bill (H. R. 5119) for the payment of the claims of the Fidelity Trust Co., of Baltimore, Md., and others; to the Committee on Claims.

By Mr. KIMBALL: A bill (H. R. 5120) for the relief of Elmer E. Lawrence; to the Committee on Military Affairs.

By Mr. KOCIALKOWSKI: A bill (H. R. 5121) for the relief of Louis Zagata; to the Committee on Claims.

By Mr. McCLELLAN: A bill (H. R. 5122) for the relief of R. C. McCoy, J. L. Garner, C. G. Kauffman, W. G. Smiley, R. A. Burks, C. W. Brazzelton, Jim Hamilton, Otis Hamilton, R. F. Brazzelton, Dave Cash, Mrs. A. W. Dykes, Jim Thereldkeld, R. R. Crain, J. B. Tolson, J. C. Rogers, S. K. Broach, Albert Easterling, J. L. Rivers, F. C. Wilson, J. E. Seymour, E. C. Finley, W. W. Mitchell, J. G. Carey, Carl Graves, Jerome DuPree, J. R. Mitchell, Roxie Anderson, J. L. Mitchell, and J. C. Russell; to the Committee on Claims.

By Mr. McFARLANE: A bill (H. R. 5123) for the relief of I. H. Martin and Sarah Jane Tilghman, legal heirs of Benjamin Martin, deceased; to the Committee on Claims.

By Mr. MAAS: A bill (H. R. 5124) for the relief of James Darcy; to the Committee on Military Affairs.

By Mr. MAPES: A bill (H. R. 5125) granting a pension to Maryette Sweet; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5126) granting a pension to Alice C. Waters; to the Committee on Invalid Pensions.

By Mr. MAVERICK: A bill (H. R. 5127) for the relief of D. E. Sweinhart; to the Committee on Claims.

By Mr. RANDOLPH: A bill (H. R. 5128) granting a pension to Golda Stump Darr; to the Committee on Pensions.

By Mr. ROBSION of Kentucky: A bill (H. R. 5129) for the relief of William W. Collins; to the Committee on Military Affairs.

Also, a bill (H. R. 5130) to extend the benefits of the Employees' Compensation Act of September 7, 1916, to J. M. Fraley; to the Committee on Claims.

Also, a bill (H. R. 5131) for the relief of Elmer Blair; to the Committee on Military Affairs.

Also, a bill (H. R. 5132) granting a pension to Laura B. Poore; to the Committee on Pensions.

By Mr. ROGERS of New Hampshire: A bill (H. R. 5133) for the relief of Nellie Oliver; to the Committee on Military Affairs.

By Mr. ROMJUE: A bill (H. R. 5134) authorizing a preliminary examination and survey of the North Fabius River in Lewis County, Mo., with a view to the controlling of floods; to the Committee on Flood Control.

By Mr. RYAN: A bill (H. R. 5135) for the relief of Frank G. Babcock; to the Committee on Military Affairs.

Also, a bill (H. R. 5136) for the relief of John W. Sweger; to the Committee on Claims.

Also, a bill (H. R. 5137) for the relief of Rogowski Bros.; to the Committee on Claims.

By Mr. SCHAEFER: A bill (H. R. 5138) granting an increase of pension to Catherine Becherer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5139) for the relief of Joseph M. Black; to the Committee on Military Affairs.

By Mr. SOMERS of New York: A bill (H. R. 5140) for the relief of Max Gordon; to the Committee on Claims.

By Mr. SOUTH: A bill (H. R. 5141) granting a pension to Maude Campbell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5142) granting a pension to Emma L. Lee; to the Committee on Pensions.

By Mr. STACK: A bill (H. R. 5143) granting a pension to Reimhold J. Schaaf; to the Committee on Pensions.

By Mr. THOMAS: A bill (H. R. 5144) granting a pension to Nellie Woodard; to the Committee on Invalid Pensions.

By Mr. VINSON of Kentucky: A bill (H. R. 5145) for the relief of Marion Ray; to the Committee on Military Affairs.

By Mr. WELCH: A bill (H. R. 5146) for the relief of James J. Orme; to the Committee on Military Affairs.

Also, a bill (H. R. 5147) granting a pension to Emily Jordan Martin; to the Committee on Pensions.

By Mr. WILLIAMS: A bill (H. R. 5148) granting a pension to Annie McKown; to the Committee on Invalid Pensions.

By Mr. ZIONCHECK: A bill (H. R. 5149) authorizing payment to Peter C. McCartin of allotments made to his children under the Veterans' Act of 1924; to the Committee on World War Veterans' Legislation.

Also, a bill (H. R. 5150) for the relief of Alexander E. Kovner, of Seattle, Wash.; to the Committee on Claims.

Also, a bill (H. R. 5151) granting a pension to Rebecca Patterson; to the Committee on Pensions.

By Mr. DOCKWEILER: Joint resolution (H. J. Res. 143) awarding Distinguished Service Medals to Tony Siminoff, Oliver F. Rominger, and Robert E. Beck, veterans of the Philippine Insurrection; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

564. By Mr. BEITER: Petition of the Ninth Ward Taxpayers Association, Buffalo, N. Y., urging passage of the bill appropriating \$4,800,000,000 for Public Works projects and work relief; to the Committee on Appropriations.

565. Also, petition of the Erie County Board of Supervisors, Buffalo, N. Y., urging passage of the bill appropriating \$4,800,000,000 for Public Works and relief projects, and recommending that a certain allotment be provided for grade-crossing improvements; to the Committee on Appropriations.

566. By Mr. BOYLAN: Letter from the New York Press Association, Elmira, N. Y., protesting against Post Office Department Order No. 6338, dated October 12, 1934, permitting a general distribution of advertising circulars addressed in simplified form, omitting names and addresses; to the Committee on the Post Office and Post Roads.

567. Also, letter from Lipton & Hartman, fur merchants, New York City, urging the repeal of the 10-percent excise tax on furs; to the Committee on Ways and Means.

568. Also, letter from the National Fur Tax Committee, New York City, protesting against the 10-percent excise tax on furs; to the Committee on Ways and Means.

569. Also, letter from the Central Trade and Labor Council of New York City, vigorously protesting against the continuance of the Federal pay cut of postal employees; to the Committee on the Post Office and Post Roads.

570. By Mr. BRUNNER: Resolution of the John J. McGrath Democratic Association, 110-15 Two Hundred and Tenth Street, St. Albans, N. Y., urging Congress to make an additional appropriation to carry on the activities of the Home Owners' Loan Corporation; to the Committee on Banking and Currency.

571. By Mr. BUCKLER of Minnesota: Petition of Bozena M. Grathwol and members of the Ladies' Auxiliary Unit, of Burlebach Post, No. 61, of the American Legion, Perham, Minn., praying for the immediate payment of the adjusted-service certificates and the enactment of a universal-draft law; to the Committee on Ways and Means.

572. Also, petition of A. W. Bowman and members of Townsend Club No. 1, of Moorhead, Minn., praying for support and votes for the Townsend old-age-pension act; to the Committee on Ways and Means.

573. By Mr. DUFFY of New York: Petition of the Bricklayers, Stonemasons, Plasterers, Marblemasons, Tilelayers, and Terrazo Workers' International Union No. 11, of Rochester, N. Y., opposing the extension of the Federal Emergency Relief Administration work to include new construction or major repairs, and resolving that public officials be urged to make every effort to create new construction projects on a contract basis whereby the regular workers of the industry can be provided with employment; to the Committee on Banking and Currency.

574. Also, memorial of the Legislature of the State of New York to the United States Congress, to consider legislation looking to either taking all profits out of war, or putting the business of manufacturing munitions of war solely in the hands of the United States Government; to the Committee on Military Affairs.

575. Also, petition of the Order of Benefit Association of Railway Employees, urging enactment of legislation to modify the fourth section of the Interstate Commerce Act to regulate commerce so as to permit the railroads to compete with unregulated forms of transportation as recommended by the Federal Coordinator; to the Committee on Interstate and Foreign Commerce.

576. Also, petition of the Rochester Council, No. 178, Knights of Columbus, of Rochester, N. Y., protesting against the activities of the National Revolutionary Party in Mexico, and urging the Congress of the United States to refrain from trade relations, etc., which are profitable to the supporters of the National Revolutionary Party, and urging tourists not to visit Mexico; to the Committee on Foreign Affairs.

577. Also, petition of the National Guard Association of the State of New York, Albany, N. Y., respectfully petitioning Congress to eliminate from that portion of the Army appropriation bill affecting National Guard activities any provision which would affect the right of Federal pay or Federal recognition of any member of the National Guard of the State of New York; to the Committee on Appropriations.

578. By Mr. FOCHT: Petition of Charles D. Hendershot and numerous other citizens of Fulton County, a part of the Eighteenth Congressional District of Pennsylvania, supporting House bill 2856 for the relief of the aged; to the Committee on Ways and Means.

579. By Mr. HESS: Resolution adopted by Cincinnati Division, No. 137, Order of Benefit Association of Railway Employees, urging the enactment of legislation to modify section 4 of the Interstate Commerce Act as recommended by Federal Coordinator Eastman; to the Committee on Interstate and Foreign Commerce.

580. Also, petition of various citizens of the Second District of Ohio, urging the enactment of House bill 2856, providing for old-age pensions; to the Committee on Ways and Means.

581. By Mr. KNIFFIN: Resolution of the Montpelier Chamber of Commerce, Montpelier, Ohio, calling for the immediate cash payment of the soldiers' adjusted-service certificates, with cancelation of interest accrued and refund of interest paid; to the Committee on Ways and Means.

582. By Mr. MERRITT of New York: Petition of Ottmar Mergenthaler Unit, No. 64, Steuben Society of America, to the Congress of the United States advocating adequate preparation for national defense and in case of war the conscription of capital and labor, as well as of man power; also favoring adoption of an amendment to the Constitution of the United States to the effect that our Government shall not engage in acts of war except it be for the purpose of repelling invasion until after an opportunity by means of referendum shall have been given the people of the United States, who are entitled by the right of franchise to express their will in the matter; to the Committee on Military Affairs.

583. By Mr. MILLARD: Resolution adopted by the members of Council No. 311, Knights of Columbus, New York City, protesting certain alleged acts of the National Revolutionary Party in Mexico; to the Committee on Foreign Affairs.

584. By Mr. McLAUGHLIN: Petition requesting the United States Government to establish a national arboretum at Nebraska City, Nebr.; to the Committee on Public Buildings and Grounds.

585. By Mr. PARKS: Petition regarding old-age pension; to the Committee on Ways and Means.

586. By Mr. PFELFER: Petition of Fur Post, No. 1049, American Legion, Department of New York, opposing continuance of the 10-percent excise tax on furs wholesaling for \$75 or more; to the Committee on Ways and Means.

587. Also, petition of the Pittsburgh Central Labor Union, Pittsburgh, Pa., urging support and enactment of the McCarran-Griswold bill; to the Committee on Labor.

588. Also, petition of the New York State Council of Churches and Religious Education, Albany, N. Y., urging support of the Wagner-Costigan antilynching law; to the Committee on the Judiciary.

589. Also, petition of the Beyer Fur Shop, Schenectady, N. Y., protesting against the 10-percent excise tax on furs; to the Committee on Ways and Means.

590. Also, petition of the Second Division Post, No. 860, American Legion, New York, endorsing the Vinson bill (H. R. 3896); to the Committee on Ways and Means.

591. By Mr. PLUMLEY: Petition of the Burlington (Vt.) Stamp Club, urging that appropriate legislation be enacted to preclude the possibility of Government postage stamps in unauthorized form reaching the public other than through sale by the Post Office Department; to the Committee on the Post Office and Post Roads.

592. Also, resolution of Burlington Post, No. 27, of the American Veterans' Association, Burlington, Vt., endorsed by 23 members, regarding Federal legislation toward veterans; to the Committee on World War Veterans' Legislation.

593. By Mrs. ROGERS of Massachusetts: Petition of the City Council of the City of Woburn, Mass., recording itself as favoring the passage of the old-age assistance or pension bill; to the Committee on Ways and Means.

594. By Mr. RUDD: Petition of the National Guard Association of the State of New York, regarding Federal pay and allowances or Federal recognition of any member of the National Guard of the State of New York qualified to serve therein; to the Committee on Appropriations.

595. Also, petition of the Woodhaven Council, No. 1866, Knights of Columbus, Woodhaven, Long Island, N. Y., concerning the activities of the National Revolutionary Party of Mexico, etc.; to the Committee on Foreign Affairs.

596. Also, petition of the Captains and County Committeemen's Club, Third Zone, Fourth A. D. Queens, Springfield, Long Island, N. Y., regarding the continuation of the Home Owners' Loan Corporation and the advancing of an additional fund of \$3,000,000,000 by the Government for this purpose; to the Committee on Banking and Currency.

597. Also, petition of the New York State Council of Churches and Religious Education, regarding the Costigan-Wagner Antilynching Law; to the Committee on the Judiciary.

598. By Mr. RYAN: Petition of 1,337 citizens of Cottonwood County, Minn., urging the enactment by Congress of the Townsend old-age pension bill; to the Committee on Ways and Means.

599. By Mr. SCOTT: Petition of W. R. Douglas and 9 others, Edith Byers and 41 others, N. S. Surls and 35 others, Mrs. Barber M. King and 10 others, Mrs. J. S. Humbert and 51 others, of Long Beach, Calif., and many others by personal letters, favoring the Townsend old-age revolving pension; to the Committee on Ways and Means.

600. By Mr. SCHAEFER: Petition of H. H. Hall, John A. Lang, and others, of East St. Louis, and A. C. Hoeffken, Henry F. Hoeffken, Louis Ruff, and George A. Kloess, of Belleville, Ill., favoring contract system for \$4,000,000,000 Public Works program in preference to day-labor system; to the Committee on Appropriations.

601. Also, petition of H. A. Kruse and other furriers, of Chicago, Ill., against the existing 10-percent excise tax on fur; to the Committee on Ways and Means.

602. By Mr. TARVER: Petitions of Susie P. Henderson and 18 other citizens of Dade County, B. F. Williams and 14 other citizens of Haralson County, Lula Ryals and 19 other citizens of Floyd County, Mrs. W. H. Strain and 17 other citizens of Chattooga County, Belle Paris and 56 other citizens of Dade County, all of the State of Georgia, favoring old-age pensions; to the Committee on Ways and Means.

603. By Mr. TRUAX: Petition of Mary Oliver and other citizens of Cleveland, Ohio, urging and demanding that Congress enact the old-age pension bill, as sponsored and approved by Dr. J. E. Pope, editor of the National Forum and president of the National Old Age Pension Association and the Nonpartisan Voters' Secret League, as embodied in House bill 2856, introduced by Representative WILL ROGERS, of Oklahoma, embracing the following: A Federal pension of \$30 to \$50 per month to every man and woman above the age of 55, financed on a contributory basis, or a tax on the earnings of persons between the ages of 21 and 45; same to be free from State and local administration or interference; to be a Nation-wide, impartial, and uniform system of old-age pensions; to the Committee on Labor.

604. Also, petition of Zanesville Federation of Labor, by their secretary, Joseph A. Bauer, recommending that 10-cent cigarettes be taxed \$2.70 per thousand while 15-cent cigarettes be taxed \$3 per thousand; to the Committee on Ways and Means.

605. Also, petition of the Labor & Relief Workers Union, having assembled in a general meeting on the 18th day of January 1935, at 188 Doty Street, city of Fond du Lac, county of Fond du Lac, State of Wisconsin, and having endorsed House bill 2827, known as the "Workers' Unemployment, Old Age, and Insurance Act", do, therefore, demand that CHARLES V. TRUAX, member of the House Labor Committee, immediately endorse and support House bill 2827, and also give a recommendation to Congress approving the bill and demanding quick action; to the Committee on Labor.

606. Also, petition of the stockholders of the Champaign County National Farm Loan Association, by their secretary, Edwin L. English, requesting that interest rates upon the Federal land bank and land-bank commissioner loans should

be further reduced from the schedule fixed by the Emergency Farm Mortgage Act of 1933, and that the Farm Credit Administration and Federal Land Bank of Louisville be, and they are hereby, requested and urged to take the necessary steps toward granting a further reduction in interest rates to borrowers in the Federal land-bank system; to the Committee on Agriculture.

607. By the SPEAKER: Petition of the city of Cleveland, Ohio; to the Committee on Ways and Means.

SENATE

THURSDAY, JANUARY 31, 1935

(Legislative day of Wednesday, Jan. 30, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, January 30, 1935, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE—ENROLLED BILL AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bill and joint resolution, and they were signed by the Vice President:

H. R. 3410. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1936, and for other purposes; and

H. J. Res. 118. Joint resolution to prohibit expenditure of any moneys for housing, feeding, or transporting conventions or meetings.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

THOMAS JEFFERSON MEMORIAL COMMISSION

The VICE PRESIDENT. The Chair appoints the Senator from Mississippi [Mr. HARRISON], the Senator from Utah [Mr. THOMAS], and the Senator from Oregon [Mr. McNARY] as members of the Thomas Jefferson Memorial Commission, created by Public Resolution No. 49, Seventy-third Congress, approved June 26, 1934.

Mr. HARRISON subsequently said: Mr. President, this morning the Vice President very graciously appointed me as a member of the Thomas Jefferson Memorial Commission. I should be very glad to serve on that Commission, but there are so many matters coming before my committee that I hope the Vice President will excuse me and appoint someone else in my place.

The VICE PRESIDENT. Without objection, the resignation of the Senator from Mississippi from the Commission will be accepted; and the Chair appoints the Senator from Connecticut [Mr. LONERGAN] in his place.

REPORT OF THE FEDERAL HOUSING ADMINISTRATION

The VICE PRESIDENT laid before the Senate a letter from the Administrator of the Federal Housing Administration, submitting, pursuant to law, the first annual report on the operations of the Administration commencing with the approval of the National Housing Act on June 27, 1934, and ending December 31, 1934, which, with the accompanying report, was referred to the Committee on Banking and Currency.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the Legislature of the State of New York, which was referred to the Committee on the Judiciary: